AlliedTPro Travel Canada Limited
Balance Sheet as at 31st March 2023

IN CAD

Particulars	**Notes**	**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	1,164.3
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		**1,164.3**
Current assets:		
Inventories		
Financial assets		
- Investments	6(a)	-
- Trade receivables	6(b)	224,517.3
- Cash and cash equivalents	6(c)	385,348.2
- Bank balances other than cash and cash equivalents	6(d)	-
- Other financial assets	6(e)	(0.0)
Other current assets	8	6,242.1
Total current assets		**616,107.5**
TOTAL ASSETS		**617,271.9**
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	10(a)	25,000.0
Preference share capital	10(a)	-
Other equity		
Share application money pending allotment		-
Reserve and surplus	10(b)	(68,366.0)
Total Equity		**(43,366.0)**
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)	-
- Trade payables	11(d)	147,526.4
- Other financial liabilities	11(c)	-
Provisions	14	-
Employee Benefit Payable	15	-
Current Income Tax Liabilities	9	-
Other current liabilities	13	513,111.5
Total current liabilities		**660,637.9**
TOTAL LIABILITIES		**660,637.9**
TOTAL EQUITY AND LIABILITIES		**617,271.9**

-

Horizon Travel Services, LLC

Summary of Significant Accounting Policies
The above balance sheet should be read in conjunction with the accompanying notes.

(Rosanna Jacob – CFO)

AlliedTPro Travel Canada Limited
Statement of Profit And Loss for the 12 months ended 31st March 2023

Particulars	Notes	12 months ended 31st March 2023
Income		
Revenue from operations	17	1,599,429.7
Other income	18(a)	40,311.5
Other gains (net)	18(b)	-
Total income		**1,639,741.2**
Expenses		
Cost of services		1,451,186.9
Employee benefits expense	19	111,733.8
Finance Cost	22	10,760.5
Advertisement Expenses		-
Depreciation and amortisation expense	20	830.2
Other expenses	21	119,382.9
Total expenses		**1,693,894.3**
Profit before exceptional item		**(54,153.1)**
Add Exceptional items:		
Less Exceptional items:		
(Loss)/Profit before tax		**(54,153.1)**
Less : Tax expense		
Current tax	23	-
Deferred tax	23	-
Total tax expenses		**-**
(Loss)/Profit for the year (A)		**(54,153.1)**
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)		**(54,153.12)**
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.

Horizon Travel Services, LLC

(**Rosanna Jacob – CFO)**

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2022

ASIAN TRAILS CO., LTD

ASIAN TRAILS CO., LTD

CONTENTS

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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 2022.

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 2022 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 2022 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 2022, 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

M.S.D.N:0302229926-C.T.T.N.H.H
CÔNG TY TNHH
DU LỊCH ĐƯỜNG MÒN
CHÂU Á
THÀNH PHỐ HỒ CHÍ MINH

BUI VIET THUY TIEN
Director
11 January 2023

No. CN/KTTC/082D

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 2022 prepared on 11 January 2023 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 2022, 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

KIỂM TOÁN THỦY CHUNG

PhD Phung Thi Thanh Thuy – Director	**Pham Gia Bao Ngoc – Auditor**
Audit Practicing Registration	*Audit Practicing Registration*
Certificate No. 0126-2019-169-1	*Certificate No. 1267-2023-169-1*
Ho Chi Minh City, 24 May 2023	

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 2022

UNIT : USD

Description	Note	As at 31 December 2022		As at 31 December 2021	
ASSETS					
Fixed assets					
– Historical cost	V.8	32.751,81		32.751,81	
– Accumulated depreciation	V.8	(32.681,53)		(31.479,60)	
			70,28		***1.272,21***
Current assets					
– Short-term deposits	V.3	25.580,83		29.702,65	
– Receivables from customers	V.4	422.759,56		39.796,93	
– Advance to suppliers	V.5	359.342,18		78.306,99	
– Other receivable	V.6	36.757,78		36.014,84	
– Prepaid expenses	V.7	24.559,71		13.236,89	
– Investments in other entities	V.10	41.203,20		41.203,20	
– Loan receivable	V.9	1.291.253,44		1.415.882,52	
			2.201.456,70		***1.654.144,02***
– Cash on hand	V.1	36.174,24		1.689,94	
– Cash at bank	V.2	1.412.413,18		833.163,71	
			1.448.587,42		***834.853,65***
TOTAL ASSETS			**3.650.114,40**		**2.490.269,88**
EQUITY					
– Paid-in capital	V.12	143.540,00		143.540,00	
– Undistributed earnings	V.12	(24.734,52)		41.522,93	
+ Retained earning of the previous years		*41.522,93*		*246.700,80*	
+ Profit/ losses of the current year		*(66.257,45)*		*(205.177,87)*	
			118.805,48		***185.062,93***
– Bonus and welfare funds		135.614,03		135.614,03	
– Payable to suppliers	V.13	254.521,93		8.375,85	
– Advance from customers	V.14	1.263.490,78		778.262,20	
– Lease liability		-		-	
– Personal income tax	V.15	364,80		499,91	
– Corporate income tax	V.15	158.233,01		158.233,01	
– Value added tax payable	V.15	647.707,37		580.038,69	
			2.459.931,92		***1.661.023,69***
– Others payable	V.16	105.473,89		100.822,04	
– Provision for unemployment	V.17	307.830,82		285.853,12	
– Accrual expenses	V.11	658.072,29		257.508,11	
			1.071.377,00		***644.183,27***
TOTAL EQUITY			**3.650.114,40**		**2.490.269,89**

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 2022

UNIT : USD

Description	Note	Year 2022	Year 2021
INCOME		**3.971.885,73**	**365.535,73**
– Sales from rendering services	VI.1	3.932.199,81	50.536,52
– Financial income	VI.2	36.383,55	17.696,59
– Sales returns	VI.1	-	-
– Others income	VI.3	3.302,37	297.302,62
EXPENSES		**4.038.143,18**	**570.713,60**
– Cost of tours	VI.4	3.124.763,35	25.006,31
– Sales and marketing expenses	VI.5	19.170,93	7.924,01
– Depreciation expenses		1.201,93	8.582,70
– Personnel expenses	VI.6	412.588,58	299.446,52
– Management expenses	VI.7	280.757,22	229.830,57
– Bad debt		26.248,00	-
– Financial expenses	VI.8	-	-
– Bank charges	VI.8	5.063,73	1.225,54
– Taxes	VI.9	78.829,31	173,28
– Management fees paid		57.786,13	-
– Other expenses		31.734,00	(1.475,33)
PROFITS		**(66.257,45)**	**(205.177,87)**

Ho Chi Minh City, 11 January 2023

Chief Accountant	***Director***
	CÔNG TY TNHH DU LỊCH ĐƯỜNG MÒN CHÂU Á
PHAM THI KIM KHANH	**BUI VIET THUY TIEN**

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended 31 December 2022

These notes are integral part of and should be read in conjunction with the financial statements for the fiscal year ended 31 December 2022 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	**7.806,46**	**130,47**
+ Cash in hand (USD)	5.792,00	125,00
+ Cash in hand (VND)	2.014,93	5,47
(equivalent in VND)	*47.488.495*	*124.547*
– Cash on hand – Da Nang Branch	**9.063,47**	**53,29**
+ Cash in hand (USD)	32,00	53,29
+ Cash in hand (VND)	9.031,47	-
(equivalent in VND)	*212.906.023*	-
– Cash on hand – Ha Noi Branch	**19.304,31**	**1.506,18**
+ Cash in hand (USD)	9.817,92	26,18
+ Cash in hand (VND)	9.486,39	1.480,00
(equivalent in VND)	*231.445.586*	*33.698.120*
TOTAL	**36.174,24**	**1.689,94**

2. Cash in bank

	Ending balance	Beginning balance
– Cash at bank - Ho Chi Minh Office	**1.377.554,57**	**817.063,16**
At Viecombank	***1.348.290,01***	***811.769,40***
+ Cash at bank (VND)	56.286,61	3.204,59
(equivalent in VND)	*1.326.883.451*	*73.026.103*
+ Cash at bank (USD)	1.282.614,31	791.911,59
+ Cash at bank (EUR)	9.389,09	16.653,22
At ACB	***29.264,56***	***5.293,76***
+ Cash at bank (VND)	28.750,29	4.779,49
(equivalent in VND)	*677.870.717*	*108.926.371*
+ Cash at bank (USD)	514,27	514,27
– Cash at bank - Da Nang Branch	**403,36**	**627,86**
(equivalent in VND)	*9.508.667*	*14.308.624*
– Cash at bank - Ha Noi Branch	**21,88**	**35,49**
(equivalent in VND)	*515.813*	*1.214.537*
– Cash at DBS BANK (Singapore)	**34.433,37**	**9.975,23**
– Saving account in Vietcombank	-	**5.461,97**
+ Saving account in VND	-	5.461,97
(equivalent in VND)	-	*124.475.154*
TOTAL	**1.412.413,18**	**833.163,71**

3. Short-term deposits

	Ending balance	Beginning balance
– Deposit for office rental in Saigon	7.500,81	11.622,63
– Deposit for Onepay	6.510,51	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	**25.580,83**	**29.702,65**

4. Receivables from customers

	Ending balance	Beginning balance
– Receivables from customers	422.759,56	39.796,93
Total	**422.759,56**	**39.796,93**

5. Advance to suppliers

	Ending balance	Beginning balance
– Advance to suppliers	359.342,18	78.306,99
Total	**359.342,18**	**78.306,99**

6. Other receivables

	Ending balance	Beginning balance
– Other receivables	36.757,78	36.014,84
Total	**36.757,78**	**36.014,84**

7. Prepaid expenses

	Ending balance	Beginning balance
– Prepaid expenses – Insurance expenses	2.315,21	2.427,43
– Prepaid expenses – Others expenses	22.177,81	10.742,77
– Prepaid expenses – Rental fees	42,68	42,68
– Prepaid expenses - Internet & Software License	24,01	24,01
TOTAL	**24.559,71**	**13.236,89**

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	**29.976,04**	**1.503,56**	**31.479,60**
– Increases	1.201,93		1.201,93
– Decreases		-	-
Ending balance	**31.177,97**	**1.503,56**	**32.681,53**
Net book values			-
– Beginning balance	**1.272,21**	-	**1.272,21**
– Ending balance	**70,28**	-	**70,28**

9. Loan receivable

	Ending balance	Beginning balance
– Loan receivable	1.291.253,44	1.415.882,52
Total	**1.291.253,44**	**1.415.882,52**

Loan receivable in details as at 31 December 2022

	USD
– Asian Trails Holding	1.033.338,10
– Asian Trails Thai Lan	158.532,34
– Ms Bui Viet Thuy Tien	99.383,00
Total	**1.291.253,44**

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)	479.894,38	4.729,56
– Accrued liabilities - Others	53.141,30	185.431,31
– Accrued liabilities - Cost of sales (Passion)	455,44	455,44
– Accrued liabilities - Sales Commission	54.582,42	58.224,31
– Accrued intercompany expenses	62.786,13	-
– Accrued liabilities - Audit Fee	2.629,31	4.084,18
– Accrued liabilities - Non current ROU Lease Liability	4.583,31	4.583,31
TOTAL	**658.072,29**	**257.508,11**

12. Paid-in capital

Statement of fluctuations in owner's equity

	Capital	Retained earnings	Total
Beginning balance of the previous year	**143.540,00**	**246.700,80**	**390.240,80**
– Capital increased in the previous year	-	-	-
– Profit of the previous year	-	(205.177,87)	(205.177,87)
– Profit sharing of the previous year	-	-	-
Ending balance of the current year	**143.540,00**	**41.522,93**	**185.062,93**
Beginning balance of the current year	**143.540,00**	**246.700,80**	**390.240,80**
– Capital increased in the year	-	-	-
– Loss of the current year	-	(66.257,45)	(66.257,45)
– Profit sharing of the current year	-	-	-
Ending balance of the current year	**143.540,00**	**(24.734,52)**	**118.805,48**

13. Payable to suppliers

	Ending balance	Beginning balance
– Payable to suppliers	254.521,93	8.375,85
TOTAL	**254.521,93**	**8.375,85**

14. Advance from customers

	Ending balance	Beginning balance
– Advance from customers	1.263.490,78	778.262,20
TOTAL	**1.263.490,78**	**778.262,20**

15. Tax payable

	Ending balance	Beginning balance
– Personal income tax	364,80	499,91
– Corporate income tax	158.233,01	158.233,01
– Value added tax payable	647.707,37	580.038,69
TOTAL	**806.305,18**	**738.771,61**

16. Other payable

	Ending balance	Beginning balance
– Other payable	105.473,89	101.166,52
TOTAL	**105.473,89**	**101.166,52**

17. Provision for unemployment

	Ending balance	Beginning balance
– Provision for unemployment	307.830,82	285.853,12
TOTAL	**307.830,82**	**285.853,12**

V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

1. Sales from rendering services

	Current year	Previous year
– Sales from tours	3.932.199,81	50.536,52
TOTAL	**3.932.199,81**	**50.536,52**

2. Financial income

	Current year	Previous year
– Interest income	36.383,55	17.696,59
TOTAL	**36.383,55**	**17.696,59**

3. Other income

	Current year	Previous year
– Other income	3.302,37	297.302,62
TOTAL	**3.302,37**	**297.302,62**

4. Cost of sales

	Current year	Previous year
– Cost of tours	3.124.763,35	25.006,31
TOTAL	**3.124.763,35**	**25.006,31**

5. Sales & marketing expenses

	Current year	Previous year
– Trade shows expenses	280,95	516,28
– Commission of sales	439,91	3,81
– Other	18.889,98	7.403,92
TOTAL	**19.610,84**	**7.924,01**

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6. Personnel expenses

	Current year	Previous year
– Salaries & wages	362.659,10	252.865,39
– Social security fund	35.101,11	39.037,07
– Medical	3.134,67	2.913,33
– Training & recruitment	2.369,33	-
– Others personnel expenses	9.324,37	4.630,73
TOTAL	**412.588,58**	**299.446,52**

7. Management expenses

	Current year	Previous year
Communication expenses		
– Telephone charges	2.646,28	1.823,77
– Postage and courier expenses	591,86	157,08
Total Communication expenses	**3.238,14**	**1.980,85**
Office expenses		
– Office rental	51.183,34	47.892,38
– Electricity and water expenses	4.053,70	2.844,52
– Software maintenance expenses	-	151,80
– IT expenses	1.980,63	5.226,94
– Other office expenses	8.300,74	2.482,42
Total Office expenses	**65.518,41**	**58.598,06**
Administration expenses		
– Printing and stationeries expenses	1.525,00	498,45
– Internet (domain name)	76,94	-
– Audit fees	1.656,00	1.656,00
– Transportation expenses	341,22	30,13
– Accommodation expenses	105,31	219,62
– Travelling expenses	11.239,33	177,11
– Entertainment expenses	667,03	-
– Insurance expenses	8.930,63	6.528,79
– Membership fees	351,82	112,56
– Charges Thomas Cook Group	2,39	-
Total Administration expenses	187.105,00	**160.029,00**
TOTAL	***212.000,67***	***229.830,57***

8. Financial expense

	Current year	Previous year
– Others	5.063,73	1.225,54
TOTAL	**5.063,73**	**1.225,54**

9. Others expenses

	Current year	Previous year
– Corporate income tax expenses	219,40	173,28
– Value added tax expenses	78.170,00	-
TOTAL	**78.389,40**	**173,28**

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

Khanh

PHAM THI KIM KHANH
Chief Accountant
11 January 2023

BUI VIET THUY TIEN
Director

2022Auditor's Report
of
ASIAN Trails International Travel Services (Beijing) Ltd.

DLK [2023] No. 01-001

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北京东审鼎立国际会计师事务所有限责任公司

Auditor’s Report

DLK [2023] No.01-001

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, 2022, 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, 2022, 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 management of your company is responsible for the other information.

Our audit opinion on the financial statements does not cover the other information, nor do we express any form of assurance conclusion thereon.

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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 course of our audit or appears to be materially misstated.

If, based on the work we have performed, we determine that there is a material misstatement of the other information, we shall report that fact.

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.

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(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.

Beijing Dongshen Dingli International Certified Public Accountants Co., Ltd.
Beijing, China
January 15, 2023

Chinese CPA:
中国注册会计师
110004910031

Chinese CPA:
中国注册会计师
刘小芳
110004910047

北京东审鼎立国际会计师事务所有限责任公司

Balance Sheet

December 31, 2022

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:**	36		
Cash and cash equivalents	1	916,305.25	1,541,125.77	Short Term Borrowing	37	2,502,612.00	2,289,240.00
Trading financial assets	2			Trading financial liabilities	38	-	-
Derivative financial assets	3			Derivative financial liabilities	39	-	-
Notes receivable	4			Notes payable	40	-	-
Accounts receivable	5	62,406.67	180,245.42	Accounts payable	41	199,670.10	158,400.40
Receivable financing	6			Advance receipt	42	452,606.96	456,037.85
Prepayments	7	123,500.04	91,518.36	Contract liabilities	43	-	-
Other receivables	8	266,472.33	284,091.30	Payroll and employee benefits	44	-	103,911.20
Inventories	9			Taxes and dues payable	45	3,969.65	4,101.53
Contract assets	10			Other payables	46	1,145,091.97	601,722.00
Hold for sale assets	11			Held for sale debt	47	-	-
Non-current assets due within one year	12			Non-current liabilities due within one year	48	-	-
Other current assets	13		194,524.05	Other current liabilities	49	-	-
Total Current Assets	14	1,368,684.29	2,291,504.90	**Total Current Liabilities**	50	4,303,950.68	3,613,412.98
Non-current Assets:	15			**None current liabilities:**	51		
Debt investment	16	-	-	Long-term loans	52	-	-
Other debt investment	17	-	-	Bonds payable	53	-	-
Long-term receivable	18	-	-	Debentures payable-Preferred Stock	54	-	-
Long-term equity investments	19	210,000.00	210,000.00	Debentures payable-Perpetual debt	55	-	-
Other Equity Instruments Investment	20	-	-	Lease liabilities	56	425,089.00	-
Other non-current financial assets	21	-	-	Long - Term Payables	57	-	-
Investment Properties	22	-	-	Long-term pay for employees	58	-	-
Fixed assets	23	10,336.00	26,946.25	Provisions	59	-	-
Construction in progress	24	-	-	Deferred income	60	-	-
Productive biological assets	25	-	-	Deferred income tax liabilities	61	-	-
Oil and gas assets	26	-	-	Other non-current liabilities	62	-	-
Right to use assets	27	416,548.00	-	**Total Non-current Liabilities**	63	425,089.00	-
Intangible assets	28	-	96,569.85	**Total Liabilities**	64	4,729,039.68	3,613,412.98
Development expenditures	29	-	-	**Owners'/Shareholders' Equity:**	65		
Goodwill	30	-	-	Paid in capital	66	6,000,000.00	4,000,000.00
Long-term prepaid assets	31	-	-	Other equity instruments	67	-	-
Deferred income tax assets	32	2,643,319.52	-	Other equity instruments-Preferred Stock	68	-	-
Other non-current assets	33	-	-	Other equity instruments-Perpetual debt	69	-	-
Total Non-current Assets	34	3,280,203.52	333,516.10	Capital Reserve	70	1,606.36	1,606.36
				Retained stock	71	-	-
				Other comprehensive income	72	-	-
				Special reserve	73	-	-
				Surplus reserve	74	248,500.50	248,500.50
				Undistributed profit	75	-6,330,258.73	-5,238,498.84
				Equity attributable to parent company	76	-80,151.87	-988,391.98
				*Minority interests	77	-	-
				Total Owners'/Shareholders' Equity	78	-80,151.87	-988,391.98
Total Assets	35	4,648,887.81	2,625,021.00	**Total Liabilities & Owners' Equity**	79	4,648,887.81	2,625,021.00

Income Statement

Year 2022

Audited entity name:ASIAN Trails International Travel Services (Beijing) Ltd.

Currency: Rmb

Items	Notes	Current Year	Previous Year
I.Operating revenue	1	110,106.41	133,899.14
Less:Operating Costs	2	87,419.00	102,445.03
Taxes and Surcharges	3		334.79
Selling expenses	4	84,525.79	79,785.12
Administration Expense	5	3,209,726.10	3,523,416.33
R&D expenses	6		
Financial expenses	7	463,514.93	-44,219.17
Including: Interest expense	8		
Interest income	9	2,229.77	74,512.21
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 wi	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	-3,735,079.41	-3,527,862.96
Add:Non-operating income	20		
Less:Non-operating expense	21		
III.Total income	22	-3,735,079.41	-3,527,862.96
Less:Income Tax Expense	23	-2,643,319.52	
IV.Net income (loss expressed with "-")	24	-1,091,759.89	-3,527,862.96
Continuous operation Profit/loss	25	-1,091,759.89	-3,527,862.96
Terminate the operation Profit/loss	26		
Net profit attributable to parent company	27		
*Profit/loss attributable to minority share-holders	28		
V.Each component of other comprehensive income, net of income tax effect	29	-	-
1. Other comprehensive income which will not be reclassified subsequently to profit or loss	30	-	-
1.1 As a result of remeasurement of net defined benefit plan liability or asset	31		
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	32		
1.3 Changes in fair value of other equity instruments investment	33		
1.4 Changes in the fair value of corporate credit risk	34		
……	35		
2. Other comprehensive income which will be reclassified subsequently to profit or loss when specific conditions are met	36	-	-
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	37		
2.2 Changes in the fair value of other debt investments	38		
2.3 The amount of financial assets reclassified into other comprehensive income	39		
2.4 Other debt investment credit impairment provisions	40		
2.5 Cash flow hedge reserve	41		
2.6 Translation differences arising on translation of foreign currency financial statements	42		
……	43		
VI.Total comprehensive earning	44	-1,091,759.89	-3,527,862.96
Total comprehensive income attributable to parent company	45	-1,091,759.89	-3,527,862.96
*Total comprehensive income attributable to minority share-holders	46		
VII.Earning Per Share	47		
1.Primary earnings per share	48		
2.Diluted earnings per share	49		

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Cash Flow Statement

Year 2022

Audited entity name:ASIAN Trails International Travel Services (Beijing) Ltd.

Currency: Rmb

Items	Notes	Current Year	Previous Year
I. Cash Flows From Operating Activities	1		
Cash received from sale of goods or rendering of services	2	101,778.41	169,974.14
Refund of tax and levies	3		
Other cash received relating to operating activities	4	1,041,085.94	2,328,303.48
Sub-total of cash inflows from operating activties	5	1,142,864.35	2,498,277.62
Cash paid for goods and services	6	78,130.98	108,591.73
Cash paid to and on behalf of employees	7	2,312,746.95	2,551,568.18
Payments of all types of taxes	8		
Other cash paid relating to operating activities	9	1,167,056.94	3,541,751.61
Sub-total of cash outflows from operating activties	10	3,557,934.87	6,201,911.52
Net cash flows from operating activities	11	-2,415,070.52	-3,703,633.90
II. Cash Flows From Investing Activities	12		
Cash received from recovery of investments	13		
Cash received from returns on investments	14		
Net cash received from disposal of fixed assets, intangible assets & other long-term ass	15		
Net cash from disposal of Subsidiary and other operating entitie	16		
Other cash received relating to investing activities	17		
Sub-total of cash inflows from investing activities	18	-	-
Cash paid to acquire fixed assets, intangible assets & other long-term assets	19	646,918.00	
Cash paid to acquire investments	20		
Net cash obtained from subsidiary and other operating entities	21		
Other cash payments relating to investing activities	22		
Sub-total of cash outflows from investing activities	23	646,918.00	-
Net cash flows from investing activities	24	-646,918.00	-
III.Cash Flows From Financing Activities	25		
Cash received from capital contribution	26	2,000,000.00	
Cash received from borrowings	27		2,289,240.00
Other cash received relating to financing activities	28		
Sub-total cash flows from financing activities	29	2,000,000.00	2,289,240.00
Cash repayments of amounts borrowed	30		
Cash payments for interest expenses and distribution of dividends or profit	31		
Other cash payments relating to financing activities	32		
Sub-total cash flows from financing activities	33	-	-
Net cash flows from financing activities	34	2,000,000.00	2,289,240.00
IV. Effect Of Foreign Exchange Rate Changes On Cash	35	437,168.00	
V. Net Increase/(Decrease) In Cash And Cash Equivalents	36	-624,820.52	-1,414,393.90
Add: Cash and cash equivalents at the beginning of the year	37	1,541,125.77	2,955,519.67
VI.Cash and cash equivalents at the end of the year	38	916,305.25	1,541,125.77

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Statement of Changes in Equity

Year 2022

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	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

Statement of Changes in Equity

Year 2022

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	-1,710,635.88	2,539,470.98
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	-1,710,635.88	2,539,470.98
III. Fluctuation amount this year (decrease expressed with "-")	-	-	-	-	-	-	-	-	-	-3,527,862.96	-3,527,862.96
1.Total comprehensive income										-3,527,862.96	-3,527,862.96
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	-	-	-	-	-	-	-	-	-	-	-
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	4,000,000.00	-	-	-	1,606.36	-	-	-	248,500.50	-5,238,498.84	-988,391.98

ASIAN Trails International Travel Services (Beijing) Ltd.

Notes to Financial Statements

The year in 2022

(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: No.37 Mai Zidian Avenue, Chao yang Disteict, Beijing, China; Registered Capital: RMB 6,000,000.00; Paid-in Capital:RMB 6,000,000.00, Operation Period: 50 years; 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

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

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(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 Renminbi as the bookkeeping standard 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 Propertiess, 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) Accounts Receivable

The receivables include the accounts receivables and other receivables.

1. Recognition criteria of the bad debt reserves

The Company assesses the carrying amounts of the accounts receivable on the balance sheet date. If there are following objective evidences that the accounts receivable are impaired, the impairment provision is calculated: 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 are other objective evidences that the accounts receivable are impaired.

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2. Calculation method of the 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 objective 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 the bad debt reserves	Accounts receivable involved in proceedings, and worsen client's credit status
Calculation method of the 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 whose bad debt reserves are 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

(IX) 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,

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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".

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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

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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 (13) "Impairment of Long-term Assets".

(X) 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.

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（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 equipments	5	0.00	20.00
Electronic equipments	3、5	0.00	20.00、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) 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.

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.

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(XI) 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.

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.

(XII) Intangible Assets

1. **Initial measurement of the intangible assets**

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;

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(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.

4. 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 III. (13)"Impairment of long-term assets".

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.

(XIII) 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.

(XIV) 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.

(XV) 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.

(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

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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.

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(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) Government Subsidy

1. Government subsidy shall be recognized when meeting all the following conditions:

(1) This company is able to meet the conditions attached to the government subsidy;

(2) This company is able to receive government subsidy. If a government subsidy is monetary asset, it shall be measured in the received or receivable amount. If a government subsidy is non-monetary asset, it shall be measured in fair value; if the fair value can't be reliably obtained, it shall be measured in nominal amount.

2. Judging basis and accounting treatment method of asset-related government subsidy

Any government subsidy obtained by the company and used for purchasing, constructing or forming in other ways long-term assets shall be classified as asset-related government subsidy. Asset-related government subsidy shall offset the book value of related asset or be recognized as deferred income. If an asset-related government subsidy is recognized as deferred income, it shall be accounted into income or loss based on reasonable and systematic method during the serviceable life of such related asset. Any government subsidy measured in nominal amount shall be directly accounted into current profit or loss. If any related asset is sold, transferred, scrapped or damaged before expiration of serviceable life, the balance of undistributed deferred income shall be transferred into the profit or loss in the current period of asset disposal.

3. Judging basis and accounting treatment method of income-related government subsidy

Any other government subsidy than the asset-related government subsidy shall be classified into income-related government subsidy. For any government subsidy containing both asset-related part and income-related part, if it's difficult to differ the asset-related part or income-related part, it shall be generally classified as income-related government subsidy. Any income-related government subsidy that is used to compensate the related costs or losses in subsequent period shall be recognized as deferred income, in the period of recognizing related costs or losses, it shall be accounted into current profit or loss or offsetting related cost; if being used to compensate already incurred costs or losses, it shall be directly accounted into current profit or loss or offsetting related cost.

4. Any governmental subsidy related to the company's day-to-day activities shall be accounted into other income or reduced the related cost expense. Any governmental subsidy unrelated to the company's day-to-day activities shall be accounted into non-operating revenue and expenditure.

5. Accounting Treatment of Policy Preferential Loan Interest Subsidy

(1) If the fiscal authority appropriates interest subsidy fund to the lending bank, and the lending bank provides the company with loan at policy preferential interest rate, the actually received amount of borrowing shall serve as the accounting value, and the related borrowing expense shall be calculated based on the principal of loan and such policy preferential interest rate./The fair value of borrowing shall serve as the accounted value of borrowing and the borrowing expense shall be calculated in effective interest method, the difference between the actually received amount and the fair value of borrowing shall be recognized as deferred income. Deferred income shall be amortized during the duration of borrowing in effective interest method, and offsetting related borrowing expense.

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(2) If the fiscal authority directly appropriates the interest subsidy fund to the company, the company shall use the corresponding interest subsidy to reduce the related borrowing expense.

(XVIII)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 to Accounting Policy

During the reporting period, there were no changes in accounting policies of the Company.

(II) Change of Accounting Estimation

There were no changes in accounting estimates during the reporting period of the company.

(III) Major Accounting Error

During the reporting period, the Company has not engaged in correction of any significant accounting errors.

V. Taxes

(I) Main Taxes and Tax Rates are Presented as Follows

Tax item	Tax basis	Tax 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	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

This company didn't apply to the related preferential tax policies.

VI. Notes to Main Items of Financial Statements

(I) Notes to Items in Balance Sheet

1. Cash and cash equivalents

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Item	Ending balance	Year-opening balance
Cash	23, 176. 07	27, 423. 99
Bank balances	853, 129. 18	1, 513, 701. 78
Other monetary funds	40, 000. 00	0. 00

Total	916, 305. 25	1, 541, 125. 77

2. Accounts receivable

Item	Ending balance	Opening balance
Balance of accounts receivable	62, 406. 67	180, 245. 42
Bad debt provision	0. 00	0. 00
Net accounts receivable	62, 406. 67	180, 245. 42

Classification of Accounts Receivable

Aging	Ending balance			Opening balance		
	Amount	Proportion	Bad debt reserves	Amount	Proportion	Bad debt reserves
Within 1 year	14, 445. 31	23. 15%	0. 00	4, 251. 98	2. 36%	0. 00
1-2 years	47, 961. 36	76. 85%	0. 00	73, 500. 44	40. 78%	0. 00
2-3 years	0. 00	0. 00	0. 00	102, 493. 00	56. 86%	0. 00
Total	62, 406. 67	100. 00%	0. 00	180, 245. 42	100. 00%	0. 00

3. Prepayments

Aging analysis

Aging	Ending balance		Opening balance	
	Amount	Ratio in original	Amount	Ratio in original value
Within 1 year	123, 500. 04	100. 00%	91, 518. 36	100. 00%
Total	123, 500. 04	100. 00%	91, 518. 36	100. 00%

4. Other Receivables

Item	Ending balance	Opening balance
Interest Receivable	0. 00	0. 00

Dividend receivable	0. 00	0. 00
Other Receivables	266, 472. 33	284, 091. 30
Total	266, 472. 33	284, 091. 30

Other Receivables

Aging	Ending balance			Opening balance		
	Amount	Proportion	Bad debt reserve	Amount	Proportion	Bad debt reserve
Within 1 year	176, 472. 33	66. 23%	0. 00	194, 091. 30	68. 32%	0. 00
1-2 years	0. 00	0. 00%	0. 00	90, 000. 00	31. 68%	0. 00
2-3 years	90, 000. 00	33. 77%	0. 00	0. 00	0. 00%	0. 00
Total	266, 472. 33	100. 00%	0. 00	284, 091. 30	100. 00%	0. 00

5. Other Current Assets

Item	Ending balance	Opening balance
Overpaid VAT	0. 00	194, 524. 05
Total	0. 00	194, 524. 05

6. Long-Term Equity Investment

Item	Shareholding percentage	Year-opening balance	Increase of this period	Decrease of this period	Year-closing balance
ATC Travel Services (Beijing) Ltd.	70.00%	210,000.00	0.00	0.00	210,000.00
Total	--	210,000.00	0.00	0.00	210,000.00

7. Fixed Assets

Type	Ending balance	Opening balance
Fixed assets	10,336.00	26,946.25
Disposal of fixed assets	0.00	0.00

Total	10,336.00	26,946.25

Fixed Assets

Type	Opening balance	Increase in current	Decrease in current	Ending balance
Total original value	341,353.79	0.00	0.00	341,353.79
Of which: office furniture	34,251.00	0.00	0.00	34,251.00
Electronic equipment	307,102.79	0.00	0.00	307,102.79
Total accumulated	314,407.54	16,610.25	0.00	331,017.79
Of which: office furniture	34,251.00	0.00	0.00	34,251.00
Electronic equipment	280,156.54	16,610.25	0.00	296,766.79
Net value	26,946.25	---	---	10,336.00

8. Right to use assets

Type	Opening balance	Increase in current period	Decrease in current period	Ending balance
Original value of	0.00	646,918.00	0.00	646,918.00
Depreciation of	0.00	230,370.00	0.00	230,370.00
Net value	0.00	---	---	416,548.00

9. Intangible Assets

Type	Opening balance	Increase in current period	Decrease in current period	Ending balance
Total original value	376,463.39	0.00	0.00	376,463.39
Of which: software system	376,463.39	0.00	0.00	376,463.39
Total accumulated amortization	279,893.54	96,569.85	0.00	376,463.39
Of which: software system	279,893.54	96,569.85	0.00	376,463.39
Net value	96,569.85	---	---	0.00

北京东审鼎立国际会计师事务所有限责任公司

10. Deferred income tax assets

Details

Deferred income tax assets	Ending balance	Opening balance
Total	2, 643, 319. 52	0. 00
Total	2, 643, 319. 52	0. 00

11. Short Term Borrowing

Details

Category	Ending balance	Opening balance
short-term loan	2, 502, 612. 00	2, 289, 240. 00
Total	2, 502, 612. 00	2, 289, 240. 00

12. Accounts payable

Aging Analysis

Aging	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	199, 670. 10	100. 00%	158, 400. 40	100. 00%
Total	199, 670. 10	100. 00%	158, 400. 40	100. 00%

13. Advance Receipt

Aging analysis

Aging	Ending balance		Opening balance	
	Ratio	Amount	Ratio	Amount
Within 1 year	452, 606. 96	100. 00%	456, 037. 85	100. 00%
Total	452, 606. 96	100. 00%	456, 037. 85	100. 00%

北京东审鼎立国际会计师事务所有限责任公司

14. Payroll and employee benefits

Details

Item	Ending balance	Opening balance
Wages Payable	0. 00	103, 911. 20
Total	0. 00	103, 911. 20

15. Taxes and dues payable

Item	Ending balance	Opening balance
Individual income tax	3, 969. 65	4, 101. 53
Total	3, 969. 65	4, 101. 53

16. Other Payables

Details

Item	Ending balance	Opening balance
Interests payable	0. 00	0. 00
Dividends payable	0. 00	0. 00
Other payables	1, 145, 091. 97	601, 722. 00
Total	1, 145, 091. 97	601, 722. 00

Other payables

Aging Analysis

Aging	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	1, 145, 091. 97	100. 00%	601, 722. 00	100. 00%
Total	1, 145, 091. 97	100. 00%	601, 722. 00	100. 00%

17. Lease Liabilities

Item	Ending balance	Opening balance
Lease Liabilities	425, 089. 00	0. 00

Total	425, 089. 00	0. 00

18. Paid-in Capital

Name of shareholder	Opening balance	Increase in current	Decrease in current	Ending balance
ASIAN TRAILS HOLDING LTD.	4, 000, 000. 00	2, 000, 000. 00	0. 00	6, 000, 000. 00
Total	4, 000, 000. 00	2, 000, 000. 00	0. 00	6, 000, 000. 00

19. Capital Reserve

Item	Opening balance	Increase in current	Decrease in current	Ending balance
Capital reserves	1, 606. 36	0. 00	0. 00	1, 606. 36
Total	1, 606. 36	0. 00	0. 00	1, 606. 36

20. Surplus Reserve

Type	Opening balance	Increase in current	Decrease in current	Ending balance
Surplus reserves	248, 500. 50	0. 00	0. 00	248, 500. 50
Total	248, 500. 50	0. 00	0. 00	248, 500. 50

21. Undistributed Profits

Item	Ending balance
Opening undistributed profits	-5, 238, 498. 84
Plus: adjustment to the opening undistributed profits	0. 00
Opening undistributed profits after adjustment	-5, 238, 498. 84
Plus: Net profits of this period	-1, 091, 759. 89
Less: Withdrawal of statutory surplus reserves	0. 00
Withdrawal of discretionary surplus reserves	0. 00
Withdrawal of general risk reserve	0. 00
Common Stock dividends payable	0. 00
Conversion of ordinary share dividends into capital stock	0. 00
Closing undistributed profits	-6, 330, 258. 73

北京东审鼎立国际会计师事务所有限责任公司

(II)Note to Profit Statement Items

1. Operating revenue and Operating Costs

Item	Incurred amount in current year		Incurred amount in previous year	
	Income	Cost	Income	Cost
Principal activities	110, 106. 41	87, 419. 00	133, 899. 14	102, 445. 03
Total	110, 106. 41	87, 419. 00	133, 899. 14	102, 445. 03

2. Taxes and Surcharges

Item	Incurred amount in current year	Incurred amount in previous year
Taxes and additional	0. 00	334. 79
Total	0. 00	334. 79

3. Selling expenses

Item	Incurred amount in current year	Incurred amount in previous year
Selling expenses	84, 525. 79	79, 785. 12
Total	84, 525. 79	79, 785. 12

4. Administration Expense

Item	Incurred amount in current year	Incurred amount in previous year
Administration Expense	3, 209, 726. 10	3, 523, 416. 33
Total	3, 209, 726. 10	3, 523, 416. 33

5. Financial Expense

Item	Incurred amount in current year	Incurred amount in previous year
Interest expenses	165, 796. 21	34, 448. 29
Less: interest income	2, 229. 77	74, 512. 21
Exchange losses	271, 491. 29	0. 00
Less: exchange gains	0. 00	8, 894. 06
other	28, 457. 20	4, 738. 81
Total	463, 514. 93	-44, 219. 17

6. Income Tax Expense

Item	Incurred amount in current year	Incurred amount in previous year
Deferred income tax expense	-2, 643, 319. 52	0. 00
Total	-2, 643, 319. 52	0. 00

(III) Supplementary Material of Cash Flow Statement

Supplementary information	Amount of this year	Amount of previous year
1.Convert net profits into cash flows of operating activities:		
Net profit	-1, 091, 759. 89	-3, 527, 862. 96
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	16, 610. 25	32, 969. 21
Depreciation of use right asset	230, 370. 00	0. 00
Amortization of intangible assets	96, 569. 85	73, 321. 72
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 "—")	460, 295. 00	0. 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 "—")	-3, 029, 410. 43	143, 492. 02

Increase in payables from operating activities (decrease is indicated by "—")	902, 254. 70	-425, 553. 89
Others	0. 00	0. 00
Net cash flow from operating activities	-2, 415, 070. 52	-3, 703, 633. 90
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	916, 305. 25	1, 541, 125. 77
Less: Opening balance of cash	1, 541, 125. 77	2, 955, 519. 67
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	-624, 820. 52	-1, 414, 393. 90

VII. Affiliated Parties Relationship and Affiliated Transaction

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%

VIII. Other Important Matters

(I) Contingent Matters,

As of December 31, 2022, 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, 2022, the Company has not made any commitments that shall be disclosed.

(III) Non-adjusting events after balance sheet date

As of January 15, 2023, the company was free of events after the balance sheet date to be disclosed.

（IV）Other

As of January 15, 2023, 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 15, 2023.

ASIAN Trails International Travel Services (Beijing) Ltd.

January 15, 2023

北京东审鼎立国际会计师事务所有限责任公司

证书编号：
No. of Certificate 110004910031

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 2020 /y 10 m 16 d

年 ...
Ann...

本证 ... 有效一年。
This ... her year after
this ...

姓名：贾浩
证书编号：110004910031

年 /y 月 /m 日 /d

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

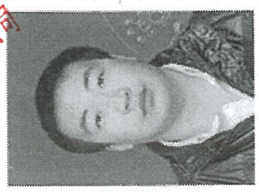
姓 名
Full name 贾浩

性 别
Sex 男

出生日期
Date of birth 1988-02-22

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. 210726198802222316



北京东审鼎立国际会计师事务所有限责任公司

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Authorized Institute of CPAs 北京注册会计师协会

发证日期：
Date of Issuance 2022 年/y 03 月/m 21 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

北京东审鼎立国际会计师事务所有限责任公司

姓名 Full name 刘小秀

性别 Sex 女

出生日期 Date of birth 1994-04-24

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. 13062519940424204X

北京东审鼎立国际会计师事务所有限责任公司 1101080242

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会计师事务所

执业证书

名　　称：北京东审鼎立国际会计师事务所有限责任公司

首席合伙人：

主任会计师：崔军胜

经营场所：北京市海淀区知春路113号1幢17层2006

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组织形式：有限责任

执业证书编号：11000491

批准执业文号：京财会[2006]2908号

批准执业日期：2006年12月22日

证书序号：0017334

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

二〇二二　年　月　日

中华人民共和国财政部制

统一社会信用代码

91110108797552224X0

营业执照

（副 本）(1—1)

扫描二维码登录“国家企业信用信息公示系统”了解更多登记、备案、许可、监管信息

名 称 北京东审鼎立国际会计师事务所有限责任公司

类 型 有限责任公司(自然人投资或控股)

法定代表人 崔军胜

经营范围 审查企业会计报表、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；基本建设年度财务决算审计；代理记帐；会计咨询、税务咨询、管理咨询、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。）

注册资本 500万元

成立日期 2006年12月27日

营业期限 2006年12月27日 至 2056年12月26日

住 所 北京市海淀区知春路113号1幢17层2006

登记机关 北京市海淀区市场监督管理局

2022 年 08 月 18 日

北京东审鼎立国际会计师事务所有限责任公司

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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 Ltd.

Financial statements for the year ended
31 March 2023
and
Independent Auditor's Report

KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
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โทร +66 2677 2000
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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 2023, 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 2023 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.

KPMG

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
7 June 2023

Asian Trails Ltd.

Statement of financial position

Assets	*Note*	31 March 2023	2022
		(in Baht)	
Current assets			
Cash and cash equivalents		10,438,898	5,924,054
Trade and other receivables	*4*	149,998,722	53,330,714
Other current assets		21,006,549	16,397,861
Total current assets		**181,444,169**	**75,652,629**
Non-current assets			
Investment in subsidiaries	*5*	5,999,840	5,999,840
Leasehold improvements and equipment	*6*	3,301,451	1,268,099
Intangible assets		145,810	48
Deferred tax assets	*7*	16,413,661	15,817,395
Restricted deposits at financial institution		10,000	10,000
Other non-current assets		1,890,664	1,778,509
Total non-current assets		**27,761,426**	**24,873,891**
Total assets		**209,205,595**	**100,526,520**

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 2023	31 March 2022
		(in Baht)	
Current liabilities			
Bank overdrafts	*8*	40,757,570	37,553,101
Trade and other payables		172,664,060	77,565,319
Unsecured short-term loan from immediate parent company	*8*	288,002,492	236,027,141
Unsecured short-term loan from related party	*8*	9,744,745	12,918,904
Current portion of finance lease liabilities	*8*	-	239,872
Advance received from customers		50,246,809	24,199,645
Other current liabilities		700,252	390,411
Total current liabilities		**562,115,928**	**388,894,393**
Non-current liability			
Provision for retirement benefits	*9*	24,006,363	19,546,226
Total non-current liability		**24,006,363**	**19,546,226**
Total liabilities		**586,122,291**	**408,440,619**
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		(403,316,696)	(334,314,099)
Capital deficiency		**(376,916,696)**	**(307,914,099)**
Total liabilities and capital deficiency		**209,205,595**	**100,526,520**

The accompanying notes are an integral part of these financial statements.

Asian Trails Ltd.

Statement of income

	Note	For the year ended 31 March 2023	2022
		(in Baht)	
Revenue			
Revenue from rendering of services		694,124,491	36,434,947
Interest income		2,769	627
Other income		32,780,988	24,710,100
Total revenue		**726,908,248**	**61,145,674**
Expenses			
Cost of rendering of services		583,350,262	29,515,861
Selling expenses		19,873,128	397,368
Administrative expenses		166,871,198	101,160,455
Net foreign exchange loss		1,320,345	10,612,692
Total expenses		**771,414,933**	**141,686,376**
Loss before finance costs and income tax expense		**(44,506,685)**	**(80,540,702)**
Finance costs		25,092,178	9,629,688
Loss before tax expense		**(69,598,863)**	**(90,170,390)**
Income tax expense (income)	7	(596,266)	1,725,686
Loss for the year		**(69,002,597)**	**(91,896,076)**

The accompanying notes are an integral part of these financial statements.

Note	**Contents**
1	General information
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	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 7 June 2023.

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 ("formerly 9th Floor SG Building, 161/1 Rajdamri Road, Lumpini, Bangkok, Thailand").

The immediate and ultimate parent companies during the financial period were Asian Trails Holding Ltd. and Thomas Cook (India) Limited, which are incorporated in Republic of Mauritius and India, respectively.

The principal activity of the Company is tour operating services, both inbound and outbound services.

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 (TFRS for NPAEs) and guidelines promulgated by the Federation of Accounting Professions (TFAC).

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, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

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 2023, the Company incurred a net loss of Baht 69.00 million *(for the year ended 31 March 2022: net loss of Baht 91.90 million)* and, as of that date, the Company's current liabilities exceeded its current assets by Baht 380.67 million *(2022: Baht 313.24 million)* and the Company had deficit of Baht 403.32 million *(2022: Baht 334.31 million)* and capital deficiency as of that date of Baht 376.92 million *(2022: Baht 307.91 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 currencies 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 reporting date are translated to Thai Baht at the exchange rates ruling at that date. Gains or losses arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities arising from foreign currency transactions that are measured at cost are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

(c) Trade and other receivables

Trade and other receivables are stated at their 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 is accounted for using the cost method less any losses on decline in value.

(e) Leasehold improvements and equipment

Owned assets

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 any other costs directly attributable to bringing the assets to a working condition for their intended use 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.

When parts of an item of leasehold improvements and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvements and equipment.

Any gains and losses on disposal of item of leasehold improvements and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvements and equipment, and are recognised net 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 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 leasehold improvements and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvements and equipment. 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 that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and losses on decline in value.

Subsequent expenditure

Subsequent expenditure is capitalised 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 brands, is recognised in the statement of income as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in the statement of income on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follow:

Software licences	3	years
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 its carrying amount of an asset exceeds its recoverable amount.

(h) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of income over the term of the borrowings on an effective interest basis.

(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 services rendered

Revenue from sale of ticket is recognised in the statement of income 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 in the statement of income as it accrues.

(l) Operating leases

Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Contingent rentals are recognised as expense in the accounting period in which they are incurred.

(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

	2023	2022
	(in thousand Baht)	
Trade and other receivables	150,496	55,307
Less allowance for doubtful accounts	(498)	(1,976)
Net	**149,999**	**53,331**
Bad debts written-off	5,587	-
Bad debts	4,109	-

5 Investment in subsidiaries

	2023	2022
	(in thousand Baht)	
Investment in subsidiaries, at cost-net	**6,000**	**6,000**

Investment in subsidiaries as at 31 March 2023 and 2022, was as follow:

Subsidiaries	Type of Business	Ownership interest		Paid-up capital		Cost		Allowance for losses on decline in value		At cost - net	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		(%)		*(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.

6 Leasehold improvements and equipment

	Leasehold improvements	Furniture, fixtures and office equipment	Vehicles	Total
		(in thousand Baht)		
Cost				
At 1 April 2021	7,607	25,392	16,090	49,089
Additions	-	337	-	337
At 31 March 2022 and 1 April 2022	**7,607**	**25,729**	**16,090**	**49,426**
Additions	-	3,197	-	3,197
At 31 March 2023	**7,607**	**28,926**	**16,090**	**52,623**
Depreciation				
At 1 April 2021	7,241	24,923	15,007	47,171
Depreciation charge for the year	96	353	538	987
At 31 March 2022 and 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	**7,420**	**25,958**	**15,944**	**49,322**
Net book value				
At 31 March 2022				
Owned assets	270	453	1	724
Assets under finance leases	-	-	544	544
	270	**453**	**545**	**1,268**
At 31 March 2023				
Owned assets	187	2,968	1	3,516
Assets under finance leases	-	-	145	145
	187	**2,968**	**146**	**3,301**

7 Deferred tax

Deferred tax assets as at 31 March 2023 and 2022 were as follow:

	2023	2022
	(in thousand Baht)	
Deferred tax assets	**16,414**	**15,817**

Movements in deferred tax assets during the year ended 31 March 2023 and 2022 were as follows:

	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**

	At 1 April 2021	(Charged) / Credited to: Statement of income	At 31 March 2022
		(in thousand Baht)	
Deferred tax assets			
Accounts receivable	395	-	395
Provision for retirement benefits	4,076	(167)	3,909
Loss carry forward	13,072	(1,559)	11,513
Total	**17,543**	**(1,726)**	**15,817**

Deferred tax asset has not been recognised in respect of the following item:

	2023	2022
	(in thousand Baht)	
Tax losses	249,842	219,425
Total	**249,842**	**219,425**

During year ended 31 March 2022, there was reversal on deferred tax assets from tax losses which would expire in 2023 because management believed that no future taxable profit will be available against with the Company can utilise the benefits therefrom.

8 Interest-bearing liabilities

	2023	2022
	(in thousand Baht)	
Current		
Bank overdrafts-secured	40,758	37,553
Unsecured short-term loan from immediate parent company	288,002	236,027
Unsecured short-term loan from related party	9,745	12,919
Current portion of finance lease liabilities	-	240
Total current interest-bearing liabilities	**338,505**	**286,739**

As at 31 March 2023, the Company had overdrafts facilities with a financial institution in the amount of Baht 50 million *(2022: 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 2023, the Company had loan with immediate parent company in the amount USD 8.38 million (equivalent to Baht 288.00 million) which bear interest at the rate of 6.98% – 8.48% per annum *(2021: USD 7.06 million (equivalent to Baht 236.03 million) which bear interest at the rate of 1.18% - 6.35% per annum).* This loan will be repayable in July 2023.

As at 31 March 2023, the Company had loan with related party in the amount USD 0.55 million (equivalent to Baht 1.89 million) and Baht 7.86 million which bear interest at the rate of 0.45% - 6.13% per annum *(2022: 0.45% - 1.25 per annum).* This loan will be repayable in July 2023.

Finance lease liabilities

Finance lease liabilities were payable as follows:

	2023			2022		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
			(in thousand Baht)			
Within one year	-	-	-	245	5	240
Total	**-**	**-**	**-**	**245**	**5**	**240**

9 Provisions for retirement benefits

	Retirement benefits *(in thousand Baht)*
At 1 April 2021	20,467
Addition	2,640
Paid	(515)
Reversal	(3,046)
At 31 March 2022 and 1 April 2022	**19,546**
Addition	5,270
Paid	(810)
At 31 March 2023	**24,006**

10 Commitments

(a) Office rental agreements

The Company entered into office rental agreements (including related services) for periods of one to three years. The Company committed to pay rental and service fees as follows:

	2023	2022
	(in thousand Baht)	
Non-cancellable operating lease commitments		
Within one year	3,550	4,110
After one year but within five years	4,446	613
Total	**7,996**	**4,723**

(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 2023, the Company received deposits as said services in total of Baht 6.19 million *(2022: Baht 7.30 million)*. Under the terms of the agreements, the Company had commitments with the terms and conditions as stipulated in the agreements.

(c) Other commitment

	2023	2022
	(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 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 2023, the balance of 2 current accounts were in the amount of Baht 448,523.0 *(2022: Baht 150,636.7)* and balances of 4 saving accounts were in the amount of USD 19,213.2 and Baht 50,967.4, respectively *(2022: USD 63,938.2 and Baht 23,775.2, respectively)*. These 6 accounts were not included in the Company's accounting records for the year ended 31 March 2023 and 2022.

ASIAN TRAILS TOUR LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Currency – United States dollar

WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

ASIAN TRAILS TOUR LIMITED
FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

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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 2022 and the statements of comprehensive income, changes in equity and cash flow 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

Min Kun Htaw
Director
Asian Trails Tour Limited

22 February 2023

ဝင်းသင်နှင့်အဖွဲ့လီမိတက်

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: 846 / A-61 / December 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Asian Trails Tour Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Asian Trails Tour Limited**, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standard for Small and Medium-sized Entities (MFRS for SMEs) and the provisions of the Myanmar Companies Law. This 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; 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 Myanmar 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 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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Asian Trails Tour Limited** as of 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with MFRS for SMEs.

Win Thin & Associates Ltd.
AUDITORS
Certified Public Accountants

Saw Nelson (PAPP - 400)
Engagement Partner
WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

22 February 2023

ASIAN TRAILS TOUR LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 USD	2021 USD
ASSETS			
Non-current assets			
Property and equipment	3	**2,619**	3,492
Loan to shareholder	4	**50,000**	50,000
		52,619	53,492
Current assets			
Cash and cash equivalents	5	**73,410**	123,327
Trade and other receivables	6	**22,326**	9,812
Advances and prepayments	7	**23,263**	31,460
Suspense	8	–	100,000
		118,999	264,599
		171,618	318,091
EQUITY AND LIABILITIES			
Equity			
Share capital		**49,950**	49,950
Accumulated loss		**(1,521,356)**	(1,081,285)
		(1,471,406)	(1,031,335)
Current liabilities			
Trade and other payables	9	**260,894**	67,273
Intercompany loan	10	**1,360,000**	1,160,000
Accrued expenses	11	**22,130**	122,153
		1,643,024	1,349,426
		171,618	318,091

The accompanying notes form an integral part of the Financial Statements.

U Min Kun Htaw
Director

ASIAN TRAILS TOUR LTD.
MYANMAR

Daw Naw Eh May Htoo
Director

ASIAN TRAILS TOUR LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	**2022 USD**	2021 USD
Revenue-net	12	**4,722**	1,628
Cost of sales	13	**(4,527)**	261
Gross profit		**195**	1,889
Other income		**5,786**	148,338
Expenses			
Sales & marketing expenses	13	**(12,220)**	(7,172)
Administration expenses	13	**(294,172)**	(404,043)
Finance expenses	13	**(139,660)**	(124,070)
Net loss before tax		**(440,071)**	(385,058)
Tax expenses		–	–
Net loss for the year		**(440,071)**	(385,058)
Other comprehensive income for the year		–	–
Total comprehensive income for the year		**(440,071)**	(385,058)

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 2022

	Share capital USD	Accumulated loss USD	Total USD
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)**
At 1 January 2021	49,950	(696,227)	(646,277)
Loss for the year	–	(385,058)	(385,058)
Other comprehensive income for the year	–	–	–
At 31 December 2021	49,950	(1,081,285)	(1,031,335)

The accompanying notes form an integral part of the Financial Statements.

ASIAN TRAILS TOUR LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 USD	2021 USD
Cash flow from operating activities			
Net loss before tax		**(440,071)**	(385,058)
Adjustments for:			
Add:			
- Depreciation		**1,083**	9,113
- Loss on disposal of fixed assets		**(910)**	(100)
- Income tax refund		**(3,745)**	–
- Interest expenses		**82,979**	29,840
Operating loss before working capital changes		**(360,664)**	(346,205)
Changes in working capital			
- Trade and other receivables		**(12,514)**	2,805
- Advances and prepayments		**8,197**	20,738
- Suspense		**100,000**	–
- Trade and other payables		**193,621**	(358,900)
- Accrued expenses		**(100,023)**	(135,147)
Cash used in operations		**(171,383)**	(816,709)
Income tax paid / received		**3,745**	–
Interest paid		**(82,979)**	(29,840)
Net cash used in operating activities		**(250,617)**	(846,549)
Cash flow from investing activities			
Purchase of property and equipment		**(210)**	(2,490)
Sale proceed from disposal of fixed assets		**910**	100
Net cash used in investing activities		**700**	(2,390)
Cash flow from financing activities			
Proceeds from loan		**200,000**	885,000
Net cash provided by financing activities		**200,000**	885,000
Net increase / (decrease) in cash and cash equivalents		**(49,917)**	36,061
Cash and cash equivalents at beginning of year		**123,327**	87,266
Cash and cash equivalents at end of year	4	**73,410**	123,327

The accompanying notes form an integral part of the Financial Statements.

ASIAN TRAILS TOUR LIMITED
NOTES TO 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 has been applied consistently throughout the financial years are summarized below:

A. Basis of preparation

The accompanying financial statements have been prepared in accordance with Myanmar Financial Reporting Standard for Small and Medium-sized Entities (MFRS for SMEs) and are based on historical cost convention.

(i) Going concern

As at 31 December 2022, the Company is in a net current liabilities position of USD 1,524,025 (December 2021: USD 1,084,827) and there is a deficit on equity of USD 1,471,406 (December 2021: deficit of USD 1,031,335). 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 period.

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 USD	Vehicles USD	PC, screens, office machines, installation USD	Total USD
Cost				
At 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**	**198,879**
Net book value				
At 31 December 2022	**37**	–	**2,582**	**2,619**
Cost				
At 1 January 2021	31,387	807	166,603	198,797
Additions	–	–	2,490	2,490
At 31 December 2021	31,387	807	169,093	201,287
Accumulated depreciation and impairment losses				
At 1 January 2021	31,066	807	156,809	188,682
Depreciation	214	–	8,899	9,113
At 31 December 2021	31,280	807	165,708	197,795
Net book value				
At 31 December 2021	107	–	3,386	3,492

4. **Loan to shareholder (USD 50,000)**

The above comprises the principle loan amount to U Min Kun Htaw who is one of the shareholders of the Company.

5. Cash and cash equivalents

	2022 USD	2021 USD
Cash on hand	14,049	5,310
Cash at banks	59,361	118,017
	73,410	123,327

6. Trade and other receivables

	2022 USD	2021 USD
Trade receivables	2,595	2,126
Intercompany receivables {Note-14(a)}	12,021	60
Other receivables	7,710	7,626
	22,326	9,812

7. Advances and prepayments

	2022 USD	2021 USD
Advance and prepayments	12,292	11,247
Advance payments to suppliers	10,971	20,213
	23,263	31,460

8. Suspense

	2022 USD	2021 USD
Fraudulent	–	100,000
	–	100,000

*A fraudulent individual / organization gained access (hacked) to the E-mail account of the General Manager of supplier and sent out incorrect bank information for a subsequent supplier payment. As a result, USD 100,000 were approved for payment and transferred into a fraudulent US bank account. The management concluded that the loss had to be charged to cost of sales and to record as suspense.

9. Trade and other payables

	2022 USD	2021 USD
Trade payables	34,025	35,999
Intercompany payables {Note-14(b)}	201,376	–
Deposits	15,892	31,274
Income tax payable	9,601	–
	260,894	67,273

ASIAN TRAILS TOUR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

10. Intercompany loan {Note 14(b)}

The Company acquired additional loan from Asian Trails Holding Limited during the financial year. The details are as follows:

	2022 USD	2021 USD
Opening balance	**1,160,000**	275,000
Additions	**200,000**	885,000
	1,360,000	1,160,000

11. Accrued expenses

	2022 USD	2021 USD
Accrued other	**21,993**	122,153
Accrued standard cost	**137**	–
	22,130	122,153

12. Revenue - net

	2022 USD	2021 USD
Revenue*	**4,722**	1,628
5% commercial tax	–	–
Net revenue	**4,722**	1,628

*The above amount represents cancellation fees USD 210, credit note USD (582) for last year and other income from office space lease to Trendtelligent for USD 2,000.

**USD 2,915.75 is the revenue of B2B HOTEL only and USD 1818 is the throughout tours from CATAI tours. USD 11.61 is the commission.
Hotel only booking will not be paid 5% CT and 5% of Throughout tour will be offset against with the payment CT to Ooredoo.

13. Expenses by nature

The total of cost of sales, sales and marketing expenses, administrative expenses and finance expense are as follows:

	2022 USD	2021 USD
Direct costs	**4,527**	(261)
Staff costs	**130,229**	242,460
Key management personnel and director remuneration {Note 14 (c)}	**27,288**	59,480
Office expenses	**3,709**	2,762
Rent and utility expenses	**16,975**	35,425
Prior year GOP expenses	**9,699**	9,642
Lease and maintenance	**1,014**	–
Information technology expenses	**11,805**	12,979
Travel / entertainment	**1,246**	5,371
Bad debt losses write-off bankruptcy	**2,398**	–
Miscellaneous	**12,438**	19,549
Charges Thomas Cook Groups	**139,653**	120,787
Depreciation	**1,083**	9,113
Realized and unrealized exchange loss	**(5,774)**	(9,523)
Marketing and advertising	**12,220**	7,172
Interest expenses IC	**82,979**	29,840
Profit of sale of fixed assets	**(910)**	(100)
Income tax expenses	–	(9,672)
	450,579	535,024

14. 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

	2022 USD	2021 USD
Sales of tour package (Note - 6)	**12,021**	60

(b) Other

	2022 USD	2021 USD
Expenses incurred on behalf of the Company (Note-9)	**201,376**	–
Loan from Holding (Note-10)	**1,360,000**	1,160,000

14. Related party transactions (continued)

(c) Key management personnel and director remuneration (Note 13)

	2022	2021
	USD	USD
Remuneration	**27,288**	59,480
Bonus	**–**	–
	27,288	59,480

15. Significant impact of COVID 19 at the reporting date

There is no business till end of December 2022 due to impact on COVID 19. Although we faced the impact of COVID 19 and political situation, some income had got started from May 2022. USD 4,722 is in total after deduction of commission and others.

16. Authorization of financial statements

The financial statements of the Company for the year ended 31 December 2022 were authorized for issue on 22 February 2023.

AT LAO COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

AT LAO COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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AT LAO COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2022
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 2022 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:

ບໍລິສັດ ທ່ອງທ່ຽວ ເອທີລາວ ຈຳກັດ
A T LAO CO.,LTD

Mrs. Phouangsy Phommixay
Ad-Interim General Manager
Date: 20 January 2023

PSL Accounting and Audit Services Co.,Ltd
ບໍລິສັດ ພີເອັສແອວ ທີ່ປຶກສາບັນຊີ - ກວດສອບ ແລະ ການເງິນ ຈຳກັດ
ໂທ: 021 413284 / 030 5267212, ມືຖື: 020 22889904

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 2022 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: 20 January 2023

PSL

AT LAO COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31 December 2022 USD	31 December 2021 USD
ASSETS			
Current assets			
Cash and cash equivalents	3	129,131	14,383
Trade accounts receivable	4	66,512	-
Other current assets	5	65,418	35,372
Total current assets		**261,061**	**49,755**
Non-current assets			
Property and equipment, net	6	790	1,818
Intangible assets, net	7	-	-
Total non-current assets		**790**	**1,818**
Total assets		**261,851**	**51,573**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and other payables	8	16,361	28,408
Short-term borrowings	12	425,000	250,000
Intercompany payable	8	3,290	-
Other current liabilities	9	274,821	140,527
Total current liabilities		**719,472**	**418,935**
Non-current liabilities			
Long-term borrowings, net		-	-
Total non-current liabilities		-	-
Total liabilities		**719,472**	**418,935**
Shareholders' equity			
Share capital	10	200,000	200,000
Deficits		(657,621)	(567,362)
Total shareholders' equity		**(457,621)**	**(367,362)**
Total equity and liabilities		**261,851**	**51,573**

ບໍລິສັດ ທ່ອງທ່ຽວ ເອທີລາວ ຈຳກັດ AT LAO CO.,LTD

Mrs. Phouangsy Phommixay
Ad-Interim General Manager
Date: 20 January 2023

The accompanying notes on pages 6 to 14 form an integral part of these financial statements.

PSL

AT LAO COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 USD	31 December 2021 USD
Revenue from sales and services			
Touring revenues		345,860	588
		345,860	**588**
Cost of sale and services			
Cost of services		(320,232)	(35,738)
		(320,232)	**(35,738)**
Gross profit		**25,628**	**(35,150)**
Other income and expense			
Operating expenses		(107,358)	(3,536)
Depreciation and amortisation expense		(1,028)	(3,712)
Financial Income		190	176
Other operating expenses		(22,707)	(101,177)
Other Expense		13,977	(1,115)
Gain on exchange rate		1,586	730
Loss before income tax		**(89,712)**	**(143,784)**
Income tax expense	11	(547)	-
Loss for the year		**(90,259)**	**(143,784)**

ບໍລິສັດ ... ເອທີລາວ ຈຳກັດ
A T LAO CO.,LTD

Mrs. Phouangsy Phommixay
Ad-Interim General Manager
Date: 20 January 2023

The accompanying notes on pages 6 to 14 form an integral part of these financial statements.

PSL

AT LAO COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	(Note 12)	Issued share capital USD	Deficits USD	Total USD
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)**
Balance at 1 January 2021		200,000	(423,578)	(223,578)
Loss for the year		-	(143,784)	(143,784)
Balance at 31 December 2021		**200,000**	**(567,362)**	**(367,362)**

ບໍລິສັດ ທ່ອງທ່ຽວ ເອທີລາວ ຈຳກັດ
A T LAO CO.,LTD

Mrs. Phouangsy Phommixay
Ad-Interim General Manager
Date: 20 January 2023

The accompanying notes on pages 6 to 14 form an integral part of these financial statements

PSL

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.

PSL

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.

PSL

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.

PSL

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.

PSL

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 2022 USD	31 December 2021 USD
Cash on hand	6,746	2,351
Cash at bank - current accounts	37,860	5,491
Cash at bank - saving accounts	84,525	6,541
Total	**129,131**	**14,383**

Cash at bank - saving accounts are deposits at local banks with interest rate of 1,00% per annum for USD currency.

PSL

4. Trade accounts receivable

	31 December 2022 USD	31 December 2021 USD
Account receivable - TIC	4,837	-
Account receivable - Third	61,675	-
Total	**66,512**	**-**

Aging analysis of trade accounts receivable is as below:

	31 December 2022 USD	31 December 2021 USD
Up to 30 days	49,161	-
31 to 60 days	81	-
Over 90 days	17,270	-
Total	**66,512**	**-**

5. Other current assets

	31 December 2022 USD	31 December 2021 USD
Advances to the related parties	51,515	25,243
Prepaid expenses	13,903	10,129
Total	**65,418**	**35,372**

PSL

6. Property and equipment, net

	Installation	Furniture	PC, Screens, office equipment	Vehicles	Total
	USD	USD	USD	USD	USD
Year ended 31 December 2022					
As at 31 December 2021	-	16,126	61,802	135,258	213,186
Additions	-	-	-	-	-
Disposal	-	-	-	(40,297)	(40,297)
Written off	-	-	-	-	-
As at 31 December 2022	-	**16,126**	**61,802**	**94,961**	**172,889**
Accumulated Depreciation					
As at 31 December 2021	-	15,444	61,078	134,846	211,368
Charge for the year	-	349	505	174	1,028
Disposal	-	-	-	(40,297)	(40,297)
As at 31 December 2022	-	**15,793**	**61,583**	**94,723**	**172,099**
As at 31 December 2021, net	-	**682**	**724**	**412**	**1,818**
As at 31 December 2022, net	-	**333**	**219**	**238**	**790**

* **Depreciation -Property and equipment as at 31 December 2021**	**27,438**
* **Depreciation -Property and equipment as at 31 December 2022**	**1,028**

PSL

7. Intangible assets, net

	Program software USD	Total USD
Year ended 31 December 2022		
As at 31 Dec 2021	19,258	19,258
Additions	-	-
Disposal		-
Written off	-	-
As at 31 December 2022	**19,258**	**19,258**
Accumulated Depreciation		
As at 31 Dec 2021	19,258	19,258
Charge for the year	-	-
As at 31 Dec 2022	**19,258**	**19,258**
As at 31 December 2021, net	-	-
As at 31 December 2022, net	-	-

* **Amortisation-Intangible assets as at 31 December 2021**	-
* **Amortisation-Intangible asset as at 31 December 2022**	-

8. Trade payables and other payables

	31 December 2022 USD	31 December 2021 USD
Trade payables – Third party	16,361	(28,408)
Trade payables – TIC	3,290	-
	19,651	**(28,408)**

PSL

9. Other current liabilities

	31 December 2022 USD	31 December 2021 USD
Accrued cost of sales	131,986	52,438
Accrued tax	10,256	10,291
Other liabilities	-	305
Other accruals	132,579	77,493
	274,821	**140,527**

As at 31 December 2022, accrued cost of sales mainly represented to the accrual for operating supplier.

Other accruals mainly represent the Staff bonus for Fiscal Year 2022, Prepayments received from Agents, Sale commission, Audit Fee and Others.

10. Share capital

	31 December 2022 USD	31 December 2021 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 2022 was nil.

12. Borrowing

	31 December 2022 USD	31 December 2021 USD
Borrowings from shareholder		
Borrowing	425,000	250,000
Total	**425,000**	**250,000**

The Company has borrowed from Head Quarter which has no timeline on repayment schedule, then it has been considered as Short-term borrowings.

PSL

ASIAN TRAILS CO., LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
AND
REPORT OF THE INDEPENDENT AUDITORS

Corporate Information

Company:	Asian Trails Co., Ltd.	
Registration No:	00007518	
Registered office:	#22 Street 294, Boeung Keng Kang Khan Boeung Keng Kang, 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. Marcel Jordi Grifoll	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

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 2022, 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 Managing Director

11 May 2023

Asian Trails Co., Ltd.

Statement of financial position
as at 31 December 2022

	Note	2022 US$	2022 KHR'000 (Note 2.4)	2021 US$	2021 KHR'000 (Note 2.4)
ASSETS					
Current assets					
Cash and cash equivalents	5	136,549	562,172	80,419	327,627
Trade receivables	6	274,005	1,128,079	3,612	14,715
Ticket and other stocks		22,130	91,109	33,961	138,357
Other receivables	7	249,964	1,029,102	86,465	352,258
Total current assets		682,648	2,810,462	204,457	832,957
Non-current assets					
Property and equipment	8	26,889	110,702	31,623	128,832
Guarantee deposit		5,000	20,585	5,000	20,370
Total non-current assets		31,889	131,287	36,623	149,202
Total assets		714,537	2,941,749	241,080	982,159
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	9	271,117	1,116,189	89,055	362,810
Other payables	10	546,980	2,251,917	322,958	1,315,730
Tax liabilities	11	159,121	655,101	154,916	631,128
Total current liabilities		977,218	4,023,207	566,929	2,309,668
Non-current liabilities					
Borrowing from a shareholder	17.2	725,000	2,984,825	390,000	1,588,860
Total liabilities		1,702,218	7,008,032	956,929	3,898,528
Equity					
Share capital	12	250,000	1,000,000	250,000	1,000,000
Accumulated losses		(1,237,681)	(5,037,319)	(965,849)	(3,926,342)
Currency translation differences		-	(28,964)	-	9,973
Total equity		(987,681)	(4,066,283)	(715,849)	(2,916,369)
Total liabilities and equity		714,537	2,941,749	241,080	982,159

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 2022

		2022		2021	
	Note	**US$**	**KHR'000**	**US$**	**KHR'000**
			(Note 2.4)		(Note 2.4)
Revenue	13	1,734,510	7,088,942	80,602	327,889
Cost of sales	14	(1,365,739)	(5,581,775)	57,547	234,101
Gross profit		368,771	1,507,167	138,149	561,990
Other income	15	17,193	70,268	24,378	99,170
Employee salaries and benefit		(329,670)	(1,347,361)	(250,267)	(1,018,086)
Depreciation and amortisation		(11,615)	(47,471)	(17,289)	(70,332)
Other operating expenses	16	(316,511)	(1,293,580)	(239,212)	(973,114)
Loss before income tax		(271,832)	(1,110,977)	(344,241)	(1,400,372)
Income tax expense	11	-	-	-	-
Net loss for the year		(271,832)	(1,110,977)	(344,241)	(1,400,372)
Other comprehensive loss					
Currency translation difference		-	(38,937)	-	(12,843)
Total comprehensive loss for the year		(271,832)	(1,149,914)	(344,241)	(1,413,215)

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 2022

	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 2021	250,000	1,000,000	(621,608)	(2,525,970)	-	22,816	(371,608)	(1,503,154)
Comprehensive loss for the year								
Net loss for the year	-	-	(344,241)	(1,400,372)	-	-	(344,241)	(1,400,372)
Other comprehensive loss								
Currency translation differences	-	-	-	-	-	(12,843)	-	(12,843)
Total comprehensive loss for the year	-	-	(344,241)	(1,400,372)	-	(12,843)	(344,241)	(1,413,215)
As at 31 December 2021	250,000	1,000,000	(965,849)	(3,926,342)	-	9,973	(715,849)	(2,916,369)
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)

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 2022

	2022		2021	
	US$	**KHR'000**	**US$**	**KHR'000**
		(Note 2.4)		(Note 2.4)
Cash flows from operating activities				
Net loss for the year	(271,832)	(1,110,977)	(344,241)	(1,400,372)
Adjustments for:				
Income tax expense	-	-	-	-
Depreciation and amortisation	11,615	47,471	17,289	70,332
	(260,217)	(1,063,506)	(326,952)	(1,330,040)
Changes in:				
Trade receivables	(270,393)	(1,105,096)	627	2,551
Tickets and other stocks	11,831	48,353	(8,437)	(34,322)
Other receivables	(163,499)	(668,220)	155,157	631,179
Trade and other payables	410,289	1,676,851	(308,643)	(1,255,560)
	(271,989)	(1,111,618)	(488,248)	(1,986,192)
Income tax paid	-	-	-	-
Net cash used in operating activities	(271,989)	(1,111,618)	(488,248)	(1,986,192)
Cash flows from investing activities				
Acquisition of property and equipment	(6,881)	(28,123)	(2,042)	(8,307)
Net cash used in investing activities	(6,881)	(28,123)	(2,042)	(8,307)
Cash flows from financing activities				
Borrowing from a shareholder	335,000	1,369,145	390,000	1,586,520
Net generated from financing activities	335,000	1,369,145	390,000	1,586,520
Net increase/(decrease) in cash and cash equivalents	56,130	229,404	(100,290)	(407,979)
Cash and cash equivalents at 1 January	80,419	327,627	180,709	730,968
Currency translation differences	-	5,141	-	4,638
Cash and cash equivalents at 31 December (Note 5)	136,549	562,172	80,419	327,627

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

Notes to the financial statements for the year ended 31 December 2022

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 branches 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 House # 22, Street 294, Sangkat Boeung Keng Kang I, Khan Boeung Keng Kang.

As at 31 December 2022, the Company had 35 employees (31 December 2021: 44 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 11 May 2023.

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.

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.

2. Basis of preparation (continued)

2.4 Functional and presentation currency (continued)

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 2022	US$1	=	KHR4,117	KHR4,087
31 December 2021	US$1	=	KHR4,074	KHR4,068

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. Critical accounting estimates and judgements (continued)

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$271,832 during the year ended 31 December 2022 and, as of that date, the Company carried accumulated losses of US$1,237,681, the current liabilities exceeded its current assets by US$294,570. 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

	2022		2021	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Cash on hand	12,425	51,153	1,622	6,608
Cash at banks	124,124	511,019	78,797	321,019
	136,549	562,172	80,419	327,627

6. Trade receivables

	2022		2021	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Trade receivables to third parties	244,976	1,008,567	3,612	14,715
Trade receivables to related parties (Note 17.2)	29,029	119,512	-	-
	274,005	1,128,079	3,612	14,715

7. Other receivables

	2022		2021	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Deposits to suppliers	149,995	617,529	22,004	89,644
Amounts due from related parties (Note 17.2)	8,961	36,892	8,585	34,975
Refundable deposits	8,800	36,230	27,944	113,844
Fixed deposit (*)	8,588	35,357	8,325	33,916
Advance to employees	5,115	21,058	30	122
Prepayment and others	4,244	17,473	4,204	17,127
Advance to suppliers	48,984	201,667	34	139
Other advances	15,277	62,896	15,339	62,491
	249,964	1,029,102	86,465	352,258

(*) 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 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

8. Property and equipment (continued)

31 December 2021	Leasehold improvement US$	Furniture and fixtures US$	Office equipment US$	Vehicles US$	Total US$	KHR'000 (Note 2.4)
Cost						
At 1 January 2021	70,769	36,594	91,251	89,190	287,804	1,164,167
Additions	1,738	304	-	-	2,042	8,307
Disposals	-	-	(2,805)	-	(2,805)	(11,411)
Written off	-	(12,252)	(26,049)	-	(38,301)	(155,808)
Currency translation difference	-	-	-	-	-	8,113
At 31 December 2021	72,507	24,646	62,397	89,190	248,740	1,013,368
Less: **Accumulated depreciation**						
At 1 January 2021	69,178	32,096	89,141	50,547	240,962	974,691
Depreciation for the year	772	2,267	1,399	12,823	17,261	70,218
Disposals	-	-	(2,805)	-	(2,805)	(11,411)
Written off	-	(12,252)	(26,049)	-	(38,301)	(155,808)
Currency translation difference	-	-	-	-	-	6,846
At 31 December 2021	69,950	22,111	61,686	63,370	217,117	884,536
Carrying amounts						
At 31 December 2021	2,557	2,535	711	25,820	31,623	128,832

9. Trade payables

	2022		2021	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
Trade payables to third parties	215,869	888,733	76,161	310,280
Trade payables to related parties (Note 17.2)	55,248	227,456	12,894	52,530
	271,117	1,116,189	89,055	362,810

10. Other payables

	2022		2021	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
Advance from clients	223,341	919,495	228,059	929,112
Accrued standard costs	207,933	856,060	1,518	6,184
Accrued others	80,423	331,101	51,130	208,304
Accrued commission	27,197	111,970	29,337	119,519
Other payables	8,086	33,291	12,914	52,611
	546,980	2,251,917	322,958	1,315,730

11. Tax liabilities

	2022		2021	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
At 1 January	154,916	631,128	206,286	834,427
Addition during the year	4,000	16,348	24,000	97,632
Paid during the year	(1,637)	(6,690)	(75,370)	(306,605)
Adjustment	1,842	7,528	-	-
Currency translation difference	-	6,787	-	5,674
At 31 December	159,121	655,101	154,916	631,128

In 2016, the Company has been under the comprehensive tax audit by the General Department of Taxation ("GDT") for fiscal years ended 2011 to 2014 and as a result, the GDT has issued tax assessment imposed on the Company amounting to KHR441,560,593 (underpaid tax base KHR199,698,271, penalty KHR81,879,309 and interest KHR159,983,013) equivalent to US$109,378 (using 2016 closing exchange rate). The Company have already settled the amount due and cleared its tax liability for up to financial year ended 31 December 2014.

11. Tax liabilities (continued)

The financial years ended 31 December 2015, 2016 and 2017 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. The underpaid tax amount for transactions related to the financial years ended 31 December 2022, 2021, 2020, 2019, 2018, 2017 and 2016, which were not adjusted by the Company in its financial statements, were estimated at approximately US$5,406,095 (2022: US$279,470, 2021: US$80,298, 2020: US$322,327, 2019: US$1,021,000, 2018: US$1,480,000, 2017: US$1,256,000 and 2016: US$967,000). More than half of the total estimated tax exposure amount is from Value Added Tax (VAT), the net between VAT output from sales with VAT input from purchases where most of the Company's suppliers are not VAT registered. Currently the VAT imposed on the service is 10% of the Company's turnover.

It is also critical to highlight that due to the application of tax laws and regulations is susceptible to varying interpretations, the estimated underpaid tax amount as mentioned above could be changed upon the final determination by the GDT.

12. Share capital

	2022			2021		
	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

	2022		2021	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
Sales to third parties	1,550,260	6,335,912	80,602	327,889
Sales to related parties (Note 17.1)	184,250	753,030	-	-
	1,734,510	7,088,942	80,602	327,889

14. Cost of sales

	2022		2021	
	US$	**KHR'000**	**US$**	**KHR'000**
		(Note 2.4)		(Note 2.4)
Direct cost	1,402,230	5,730,914	(6,626)	(26,955)
Reversal for over-accrued costs (*)	(36,491)	(149,139)	64,173	261,056
	1,365,739	5,581,775	57,547	234,101

(*) This represents the over-estimate cost of sales in 2021 and was reversed in the current financial year.

15. Other income

	2022		2021	
	US$	**KHR'000**	**US$**	**KHR'000**
		(Note 2.4)		(Note 2.4)
Shopping commission	14,091	57,590	23,439	95,350
Gain on disposal of property and equipment	2,800	11,444	502	2,042
Interest income	302	1,234	437	1,778
	17,193	70,268	24,378	99,170

16. Other operating expenses

	2022		2021	
	US$	**KHR'000**	**US$**	**KHR'000**
		(Note 2.4)		(Note 2.4)
Administrative expenses	132,043	539,660	114,491	465,749
Office expenses	70,568	288,411	80,466	327,336
Interest expenses inter-company	41,000	167,567	6,742	27,426
Sales and marketing expenses	24,478	100,042	18,008	73,257
Consulting fees	12,000	49,044	13,500	54,918
Royalty's expenses	25,807	105,473	-	-
Communication	5,833	23,839	3,825	15,560
Bank charges	4,749	19,409	2,180	8,868
Others	33	135	-	-
	316,511	1,293,580	239,212	973,114

17. Related party transactions and balances

17.1. Transactions with related parties

	2022		2021	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Parent company (Asian Trails Holding)				
Expenses:				
Royalty expenses	25,807	105,473	-	-
Borrowing:				
Additional borrowing	335,000	1,369,145	390,000	1,586,520
Interest expenses	41,000	167,567	6,742	27,426
Inter-companies				
Revenue	184,250	753,030	-	-
Expenses	157,303	642,898	99,616	405,238
Payments on behalf	-	-	1,069	4,349
Key management personal salary and benefits	72,600	296,716	64,845	263,790

17.2. Balances with related parties

	2022		2021	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Trade receivables	29,029	119,512	-	-
Other receivables (*)	8,961	36,892	8,585	34,975
Trade payables	55,248	227,456	12,894	52,530
Borrowings (**)	725,000	2,984,825	390,000	1,588,860

17. Related party transactions and balances (continued)

17.2. Balances with related parties (continued)

(*) Amount due from Asia NextGen Pte Ltd. is for holding bank account with DBS Bank Ltd. on behalf of Asian Trails Co., Ltd.

(**) Borrowing represent borrowings from Asian Trails Holding Limited which are unsecured, bear interests at 0.05% to 6.58% and maturing in 2024.

18. Operating lease commitments

	2022		2021	
	US$	**KHR'000**	**US$**	**KHR'000**
		(Note 2.4)		(Note 2.4)
Within 1 year	33,260	136,931	11,600	47,258
Within 2-5 years	23,760	97,820	5,000	20,370
	57,020	234,751	16,600	67,628

19. Taxation contingencies

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 application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretation of tax legislation.

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. Significant accounting policies (continued)

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.

(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.

20. Significant accounting policies (continued)

20.3 Property and equipment (continued)

(iii) Depreciation (continued)

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.

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. Significant accounting policies (continued)

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.

2022 Auditor's Report

of

Atrails Travel Services (Beijing) Co., Ltd

DLK [2023] No. 01-002

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北京东审鼎立国际会计师事务所有限责任公司

Auditor's Report

DLK [2023] No. 01-002

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, 2022, 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, 2022, 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.

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.

Ⅲ.Other information

The management of your company is responsible for the other information.

Our audit opinion on the financial statements does not cover the other information, nor do we express any form of assurance conclusion thereon.

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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 course of our audit or appears to be materially misstated.

If, based on the work we have performed, we determine that there is a material misstatement of the other information, we shall report that fact.

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.

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(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.

Beijing Dongshen Dingli International Certified Public Accountants Co., Ltd.
Beijing, China
January 12, 2023

Chinese CPA: 中国注册会计师 贾浩 110004910031

Chinese CPA: 中国注册会计师 刘小芳 110004910047

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Balance Sheet

December 31, 2022

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:**	36		
Cash and cash equivalents	1	1,034,644.11	771,219.40	Short Term Borrowing	37	-	-
Trading financial assets	2			Trading financial liabilities	38	-	-
Derivative financial assets	3			Derivative financial liabilities	39		
Notes receivable	4			Notes payable	40		
Accounts receivable	5			Accounts payable	41	396,194.24	525,342.70
Receivable financing	6			Advance receipt	42	206,023.41	85,075.00
Prepayments	7	210,300.00	6,292.00	Contract liabilities	43		
Other receivables	8	64,895.32	58,747.55	Payroll and employee benefits	44	11,730.00	5,886.00
Inventories	9			Taxes and dues payable	45	-	-
Contract assets	10			Other payables	46	134,542.70	16,752.57
Hold for sale assets	11			Held for sale debt	47	-	-
Non-current assets due within one year	12			Non-current liabilities due within one year	48	-	-
Other current assets	13			Other current liabilities	49	-	-
Total Current Assets	14	1,309,839.43	836,258.95	**Total Current Liabilities**	50	748,490.35	633,056.27
Non-current Assets:	15			**None current liabilities:**	51		
Debt investment	16	-	-	Long-term loans	52	-	-
Other debt investment	17	-	-	Bonds payable	53	-	-
Long-term receivable	18	-	-	Debentures payable-Preferred Stock	54	-	-
Long-term equity investments	19	-	-	Debentures payable-Perpetual debt	55	-	-
Other Equity Instruments Investment	20	-	-	Lease liabilities	56	74,137.00	-
Other non-current financial assets	21	-	-	Long - Term Payables	57	-	-
Investment Properties	22	-	-	Long-term pay for employees	58	-	-
Fixed assets	23	-	-	Provisions	59	-	-
Construction in progress	24	-	-	Deferred income	60	-	-
Productive biological assets	25	-	-	Deferred income tax liabilities	61	-	-
Oil and gas assets	26	-	-	Other non-current liabilities	62	-	-
Right to use assets	27	72,691.00	-	**Total Non-current Liabilities**	63	74,137.00	-
Intangible assets	28	-	-	**Total Liabilities**	64	822,627.35	633,056.27
Development expenditures	29	-	-	**Owners'/Shareholders' Equity:**	65		
Goodwill	30	-	-	Paid in capital	66	300,000.00	300,000.00
Long-term prepaid assets	31	-	-	Other equity instruments	67	-	-
Deferred income tax assets	32	4,412.47	-	Other equity instruments-Preferred Stock	68	-	-
Other non-current assets	33	-	-	Other equity instruments-Perpetual debt	69	-	-
Total Non-current Assets	34	77,103.47	-	Capital Reserve	70	-	-
				Retained stock	71	-	-
				Other comprehensive income	72	-	-
				Special reserve	73	-	-
				Surplus reserve	74	26,313.17	14,511.65
				Undistributed profit	75	238,002.38	-111,308.97
				Equity attributable to parent company	76	564,315.55	203,202.68
				*Minority interests	77	-	-
				Total Owners'/Shareholders' Equity	78	564,315.55	203,202.68
Total Assets	35	1,386,942.90	836,258.95	**Total Liabilities & Owners' Equity**	79	1,386,942.90	836,258.95

Income Statement

Year 2022

Audited entity name:Atrails Travel Services (Beijing) Co., Ltd.　　Currency: Rmb

Items	Notes	Current Year	Previous Year
I.Operating revenue	1	11,364,153.57	6,252,703.88
Less: Operating Costs	2	10,622,977.74	5,950,509.48
Taxes and Surcharges	3	-	471.17
Selling expenses	4	178,992.46	-
Administration Expense	5	194,952.70	414,326.46
R&D expenses	6		
Financial expenses	7	3,091.77	1,746.43
Including: Interest expense	8		
Interest income	9	5,003.57	2,435.27
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 wi	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	364,138.90	-114,349.66
Add:Non-operating income	20		
Less:Non-operating expense	21		
III.Total income	22	364,138.90	-114,349.66
Less:Income Tax Expense	23	3,026.03	
IV.Net income (loss expressed with "-")	24	361,112.87	-114,349.66
Continuous operation Profit/loss	25		
Terminate the operation Profit/loss	26		
Net profit attributable to parent company	27		
*Profit/loss attributable to minority share-holders	28		
V.Each component of other comprehensive income, net of income tax effect	29	-	-
1. Other comprehensive income which will not be reclassified subsequently to profit or loss	30	-	-
1.1 As a result of remeasurement of net defined benefit plan liability or asset	31		
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	32		
1.3 Changes in fair value of other equity instruments investment	33		
1.4 Changes in the fair value of corporate credit risk	34		
......	35		
2. Other comprehensive income which will be reclassified subsequently to profit or loss when specific conditions are met	36	-	-
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	37		
2.2 Changes in the fair value of other debt investments	38		
2.3 The amount of financial assets reclassified into other comprehensive income	39		
2.4 Other debt investment credit impairment provisions	40		
2.5 Cash flow hedge reserve	41		
2.6 Translation differences arising on translation of foreign currency financial statements	42		
......	43		
VI.Total comprehensive earning	44	361,112.87	-114,349.66
Total comprehensive income attributable to parent company	45	361,112.87	-114,349.66
*Total comprehensive income attributable to minority share-holders	46		
VII.Earning Per Share	47		
1.Primary earnings per share	48		
2.Diluted earnings per share	49		

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Cash Flow Statement

Year 2022

Audited entity name:Atrails Travel Services (Beijing) Co., Ltd. Currency: Rmb

Items	Notes	Current Year	Previous Year
I. Cash Flows From Operating Activities	1		
Cash received from sale of goods or rendering of services	2	12,239,394.18	6,258,659.78
Refund of tax and levies	3	-	-
Other cash received relating to operating activities	4	253,095.41	101,130.30
Sub-total of cash inflows from operating activties	5	12,492,489.59	6,359,790.08
Cash paid for goods and services	6	11,393,242.77	5,427,896.78
Cash paid to and on behalf of employees	7	128,623.20	114,572.99
Payments of all types of taxes	8	7,438.50	23,875.70
Other cash paid relating to operating activities	9	585,530.60	543,614.04
Sub-total of cash outflows from operating activties	10	12,114,835.07	6,109,959.51
Net cash flows from operating activities	11	377,654.52	249,830.57
II. Cash Flows From Investing Activities	12		
Cash received from recovery of investments	13		
Cash received from returns on investments	14		
Net cash received from disposal of fixed assets, intangible assets & other long-term ass	15		
Net cash from disposal of Subsidiary and other operating entitie	16		
Other cash received relating to investing activities	17		
Sub-total of cash inflows from investing activities	18	-	-
Cash paid to acquire fixed assets, intangible assets & other long-term assets	19	112,885.00	
Cash paid to acquire investments	20		
Net cash obtained from subsidiary and other operating entities	21		
Other cash payments relating to investing activities	22		
Sub-total of cash outflows from investing activities	23	112,885.00	-
Net cash flows from investing activities	24	-112,885.00	-
III.Cash Flows From Financing Activities	25		
Cash received from capital contribution	26		
Cash received from borrowings	27		
Other cash received relating to financing activities	28		
Sub-total cash flows from financing activities	29	-	-
Cash repayments of amounts borrowed	30		
Cash payments for interest expenses and distribution of dividends or profit	31		
Other cash payments relating to financing activities	32		
Sub-total cash flows from financing activities	33	-	-
Net cash flows from financing activities	34	-	-
IV. Effect Of Foreign Exchange Rate Changes On Cash	35	-1,344.81	
V. Net Increase/(Decrease) In Cash And Cash Equivalents	36	263,424.71	249,830.57
Add：Cash and cash equivalents at the beginning of the year	37	771,219.40	521,388.83
VI.Cash and cash equivalents at the end of the year	38	1,034,644.11	771,219.40

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Statement of Changes in Equity

Year 2022

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								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

Statement of Changes in Equity

Year 2022

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	3,040.69	317,552.34
Add:Change in accounting policy											-
Corrections of prior period errors											-
other											-
II. Opening balance this year	300,000.00	-	-	-	-	-	-	-	14,511.65	3,040.69	317,552.34
III. Fluctuation amount this year (decrease expressed with "-")	-	-	-	-	-	-	-	-	-	-114,349.66	-114,349.66
1.Total comprehensive income										-114,349.66	-114,349.66
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	-	-	-	-	-	-	-	-	-	-	-
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	300,000.00	-	-	-	-	-	-	-	14,511.65	-111,308.97	203,202.68

Atrails Travel Services (Beijing) Co., Ltd.

Notes to Financial Statements

The year in 2022

(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.

一、*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.

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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 RMB as the bookkeeping standard 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 Propertiess, 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.

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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[Or: current average exchange rate, weighted average exchange rate, or exchange rate approximate to the spot exchange rate recognized in other methods].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) Accounts Receivable

The receivables include the accounts receivables and other receivables.

1. Recognition criteria of the bad debt reserves

The Company assesses the carrying amounts of the accounts receivable on the balance sheet date. If there are following objective evidences that the accounts receivable are impaired, the impairment provision is calculated: 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 are other objective evidences that the accounts receivable are impaired.

2. Calculation method of the 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 objective 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 the bad debt reserves	Accounts receivable involved in proceedings, and worsen client's credit status
Calculation method of the 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 whose bad debt reserves are 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

(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.

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.

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) 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.

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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.

4. The impairment test method and the impairment provision calculation method of the intangible assets

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.

(XI) 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.

(XII) 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.

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（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.

(XIII) 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.

(XIV) Provisions

1. Recognizing Principle

If any obligation generated from providing guarantee to outside, litigation matters, product quality warranty, loss contract or other contingent matters becomes a current obligation assumed by the company, performance of such obligation would probably cause economic interest to flow out of the company, and the amount of such obligation can be reliably measured, the company shall recognize this obligation as estimated liability.

2. Measurement Method

The company shall make initial measurement on Provisions based on the best estimation of the expenditures to be made for performing related current obligations, and recheck the book value of Provisions on the balance sheet date.

(XV) 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.

(XVI) Government Subsidy

1. Government subsidy shall be recognized when meeting all the following conditions:

(1) This company is able to meet the conditions attached to the government subsidy;

(2) This company is able to receive government subsidy. If a government subsidy is monetary asset, it shall be measured in the received or receivable amount. If a government subsidy is non-monetary asset, it shall be measured in fair value; if the fair value can't be reliably obtained, it shall be measured in nominal amount.

2. Judging basis and accounting treatment method of asset-related government subsidy

Any government subsidy obtained by the company and used for purchasing, constructing or forming in other ways long-term assets shall be classified as asset-related government subsidy. Asset-related government subsidy shall offset the book value of related asset or be recognized as deferred income. If an asset-related government subsidy is recognized as deferred income, it shall be accounted into income or loss based on reasonable and systematic method during the serviceable life of such related asset. Any government subsidy measured in nominal amount shall be directly accounted into current profit or loss. If any related asset is sold, transferred, scrapped or damaged before expiration of serviceable life, the balance of undistributed deferred income shall

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be transferred into the profit or loss in the current period of asset disposal.

3. Judging basis and accounting treatment method of income-related government subsidy

Any other government subsidy than the asset-related government subsidy shall be classified into income-related government subsidy. For any government subsidy containing both asset-related part and income-related part, if it's difficult to differ the asset-related part or income-related part, it shall be generally classified as income-related government subsidy. Any income-related government subsidy that is used to compensate the related costs or losses in subsequent period shall be recognized as deferred income, in the period of recognizing related costs or losses, it shall be accounted into current profit or loss or offsetting related cost; if being used to compensate already incurred costs or losses, it shall be directly accounted into current profit or loss or offsetting related cost.

4. Any governmental subsidy related to the company's day-to-day activities shall be accounted into other income or reduced the related cost expense. Any governmental subsidy unrelated to the company's day-to-day activities shall be accounted into non-operating revenue and expenditure.

5. Accounting Treatment of Policy Preferential Loan Interest Subsidy

(1) If the fiscal authority appropriates interest subsidy fund to the lending bank, and the lending bank provides the company with loan at policy preferential interest rate, the actually received amount of borrowing shall serve as the accounting value, and the related borrowing expense shall be calculated based on the principal of loan and such policy preferential interest rate./The fair value of borrowing shall serve as the accounted value of borrowing and the borrowing expense shall be calculated in effective interest method, the difference between the actually received amount and the fair value of borrowing shall be recognized as deferred income. Deferred income shall be amortized during the duration of borrowing in effective interest method, and offsetting related borrowing expense.

(2) If the fiscal authority directly appropriates the interest subsidy fund to the company, the

company shall use the corresponding interest subsidy to reduce the related borrowing expense.

IV. Notes to Change of Important Accounting Policy, Accounting Estimation, Correction of Major Accounting Error

(I) Change to Accounting Policy

During the reporting period, there were no changes in accounting policies of the Company.

(II) Change of Accounting Estimation

There were no changes in accounting estimates during the reporting period of the company

(III) Major Accounting Error

During the reporting period, the Company has not engaged in correction of any significant accounting errors.

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	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

This company didn't apply to the related preferential tax policies.

VI. Notes to Main Items of Financial Statements

(I) Notes to Items in Balance Sheet

1. Cash and cash equivalents

Item	Ending balance	Year-opening balance
Cash	11, 071. 12	22, 955. 93
Bank balances	1, 023, 572. 99	748, 263. 47
Other monetary funds	0. 00	0. 00
Total	1, 034, 644. 11	771, 219. 40

2. Prepayments

（1） Aging analysis

Aging	Ending balance		Opening balance	
	Amount	Ratio in original	Amount	Ratio in original value
Within 1 year	210, 300. 00	100. 00%	6, 292. 00	100. 00%
Total	210, 300. 00	100. 00%	6, 292. 00	100. 00%

3. Other Receivables

Item	Ending balance	Opening balance
Interest Receivable	0. 00	0. 00
Dividend receivable	0. 00	0. 00
Other Receivables	64, 895. 32	58, 747. 55
Total	64, 895. 32	58, 747. 55

Other Receivables

Aging	Ending balance			Opening balance		
	Amount	Proportion	Bad debt reserve	Amount	Proportion	Bad debt reserve
Within 1 year	64, 895. 32	100. 00%	0. 00	58, 747. 55	100. 00%	0. 00
Total	64, 895. 32	100. 00%	0. 00	58, 747. 55	100. 00%	0. 00

4. Right to use assets

Type	Opening balance	Increase in current period	Decrease in current period	Ending balance
Original value of building use right	0. 00	112, 885. 00	0. 00	112, 885. 00
Depreciation of building use rights	0. 00	40, 194. 00	0. 00	40, 194. 00
Net value	0. 00	---	---	72, 691. 00

5. Deferred income tax assets

Item	Ending balance	Opening balance
Deferred income tax assets	4, 412. 47	0. 00
Total	4, 412. 47	0. 00

6. Accounts payable

Aging	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	396, 194. 24	100. 00%	525, 342. 70	100. 00%
Total	396, 194. 24	100. 00%	525, 342. 70	100. 00%

7. Advance Receipt

Aging	Ending balance		Opening balance	
	Ratio	Amount	Ratio	Amount
Within 1 year	206, 023. 41	100. 00%	85, 075. 00	100. 00%
Total	206, 023. 41	100. 00%	85, 075. 00	100. 00%

8. Payroll and employee benefits

Item	Ending balance	Opening balance
Wages payable	11, 730. 00	5, 886. 00
Total	11, 730. 00	5, 886. 00

9. Other Payables

Item	Ending balance	Opening balance
Interests payable	0. 00	0. 00
Dividends payable	0. 00	0. 00
Other payables	134, 542. 70	16, 752. 57
Total	134, 542. 70	16, 752. 57

Other payables

Aging Analysis

Aging	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	134, 542. 70	100. 00%	16, 752. 57	100. 00%
Total	134, 542. 70	100. 00%	16, 752. 57	100. 00%

10. Lease Liabilities

Item	Ending balance	Opening balance
Lease Liabilities	74, 137. 00	0. 00
Total	74, 137. 00	0. 00

11. Paid-in Capital

Name of shareholder	Opening balance	Increase in current	Decrease in current	Ending 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

12. Surplus Reserve

Type	Opening balance	Increase in current	Decrease in current	Ending balance
Surplus reserves	14, 511. 65	11, 801. 52	0. 00	26, 313. 17
Total	14, 511. 65	11, 801. 52	0. 00	26, 313. 17

13. Undistributed Profits

Item	Ending balance
Opening undistributed profits	-111, 308. 97
Plus: adjustment to the opening undistributed profits	0. 00
Opening undistributed profits after adjustment	0. 00
Plus: Net profits of this period	361, 112. 87
Less: Withdrawal of statutory surplus reserves	11, 801. 52
Withdrawal of discretionary surplus reserves	0. 00
Withdrawal of general risk reserve	0. 00
Common Stock dividends payable	0. 00
Conversion of ordinary share dividends into capital stock	0. 00
Closing undistributed profits	238, 002. 38

(II)Note to Profit Statement Items

1. Operating revenue and Operating Costs

Item	Incurred amount in current year		Incurred amount in previous year	
	Income	Cost	Income	Cost
Principal activities	11, 364, 153. 57	10, 622, 977. 74	6, 252, 703. 88	5, 950, 509. 48
Total	11, 364, 153. 57	10, 622, 977. 74	6, 252, 703. 88	5, 950, 509. 48

2. Taxes and Surcharges

Item	Incurred amount in current year	Incurred amount in previous year
Taxes and Surcharges	0. 00	471. 17
Total	0. 00	471. 17

3. Selling expenses

Item	Incurred amount in current year	Incurred amount in previous year
Selling expenses	178, 992. 46	0. 00
Total	178, 992. 46	0. 00

4. Administration Expense

Item	Incurred amount in current year	Incurred amount in previous year
Administration Expense	194, 952. 70	414, 326. 46
Total	194, 952. 70	414, 326. 46

5. Financial Expense

Item	Incurred amount in current year	Incurred amount in previous year
Interest expenses	0. 00	0. 00
Less: interest income	5, 003. 57	2, 435. 27
Exchange losses	1, 344. 81	966. 69
Less: exchange gains	0. 00	0. 00
Handling charges expenses	6, 750. 53	3, 215. 01
Total	3, 091. 77	1, 746. 43

6. Income Tax Expense

Item	Incurred amount in current year	Incurred amount in previous year
Current income tax expense	7, 438. 50	0. 00
Deferred income tax expense	−4, 412. 47	0. 00
Total	3, 026. 03	0. 00

(III) Supplementary Material of Cash Flow Statement

Supplementary information	Amount of this year	Amount of previous year
1.Convert net profits into cash flows of operating activities:		
Net profit	361, 112. 87	−114, 349. 66
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	40, 194. 00	0. 00

Amortization of intangible assets	0. 00	3, 750. 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 "—")	5, 340. 81	0. 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 "—")	-218, 564. 24	30, 360. 05
Increase in payables from operating activities (decrease is indicated by "—")	189, 571. 08	330, 070. 18
Others	0. 00	0. 00
Net cash flow from operating activities	377, 654. 52	249, 830. 57
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, 034, 644. 11	771, 219. 40
Less: Opening balance of cash	771, 219. 40	521, 388. 83
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	263, 424. 71	249, 830. 57

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VII. Affiliated Parties Relationship and Affiliated Transaction

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%

VIII. Other Important Matters

(I) Contingent Matters,

As of December 31, 2022, 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, 2022, the Company has not made any commitments that shall be disclosed.

(III) Non-adjusting events after balance sheet date

As of January 12, 2023, the company was free of events after the balance sheet date to be disclosed.

（IV）Other

As of January 12, 2023, 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 12, 2023.

北京东审鼎立国际会计师事务所有限责任公司

Atrails Travel Services (Beijing) Co., Ltd.

January 12, 2023

证书编号：
No. of Certificate　110004910031

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　2020 年/y　10 月/m　16 日/d

年
Annu…

本证…有效一年。
This… …her year after
this…

姓名：贾浩
证书编号：110004910031

年/y　月/m　日/d

5

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

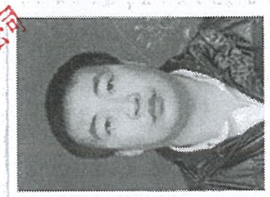
姓名
Full name　贾浩

性别
Sex　男

出生日期
Date of birth　1988-02-22

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.　210726198802222316



北京东审鼎立国际会计师事务所有限责任公司

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证书编号：
No. of Certificate 110004910047

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 03 月/m 21 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

北京东审鼎立国际会计师事务所有限责任公司

姓名 Full name 刘小秀

性别 Sex 女

出生日期 Date of birth 1994-04-24

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. 13063519940424204X

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会计师事务所

执业证书

名　　称：北京东审鼎立国际会计师事务所有限责任公司

首席合伙人：

主任会计师：崔军胜

经营场所：北京市海淀区知春路113号1幢17层2006

组织形式：有限责任

执业证书编号：11000491

批准执业文号：京财会[2006]2908号

批准执业日期：2006年12月22日

北京东审鼎立国际会计师事务所有限责任公司

北京东审鼎立国际会计师事务所有限责任公司 1101080257427

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证书序号：0017334

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。

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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

二〇二二　年　月　日

北京市财政局 行政审批服务专用章

中华人民共和国财政部制

统一社会信用代码

91110108797552224X0

营业执照

（副 本）(1-1)

扫描二维码登录"国家企业信用信息公示系统"了解更多登记、备案、许可、监管信息

名 称 北京东审鼎立国际会计师事务所有限责任公司

类 型 有限责任公司(自然人投资或控股)

法定代表人 崔军胜

经营范围 审查企业会计报表，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；基本建设年度财务决算审计；代理记帐；会计咨询、税务咨询、管理咨询、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。）

注册资本 500万元

成立日期 2006年12月27日

营业期限 2006年12月27日 至 2056年12月26日

住 所 北京市海淀区知春路113号1幢17层2006

登记机关

北京市海淀区市场监督管理局

2022 年 08 月 18 日

北京东审鼎立国际会计师事务所有限责任公司

仅供审计报告使用

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 HOLDING LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

ASIAN TRAILS HOLDING LTD.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS **PAGE (S)**

			Date of appointment	Date of resignation
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	-
		Madhavan Menon	20 March 2008	01 September 2022

Administrator And secretary : Ocorian Corporate Services (Mauritius) Limited
Level 6, Tower A,
1 Exchange Square
Wall Street, Ebene
Mauritius, 72201

Registered office : Level 6, Tower A,
1 Exchange Square
Wall Street, Ebene
Mauritius, 72201

Auditors : RSM (Mauritius) LLP
109 Moka Business Centre
Mount Ory Road
Bon Air
Moka
Mauritius

Banker : SBI (Mauritius) Ltd
6th & 7th Floor SBI Tower Mindspace
Bhumi Park, 45,
Ebene Cybercity,
Mauritius

The directors present their report and the financial statements of Asian Trails Holding Ltd. (the "Company") for the year ended 31 December 2022.

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 2022 is **USD 1,213,723** (2021: USD 855,236).

The directors have not recommended any payment of dividend for the year under review (2021 – 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 (Mauritius) LLP 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: 29 June 2023

Ocorian Corporate Services (Mauritius) Limited
Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene 72201
Republic of Mauritius

SECRETARY'S CERTIFICATE

TO THE MEMBER 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 2022.

Dated 29 June 2023

DS

Fayaz DOOBARRY, ACCA
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

Ocorian Corporate Services (Mauritius) Limited
Secretary

RSM (Mauritius) LLP
109 Moka Business Centre
Mount Ory Road, Bon Air
Moka, Mauritius

BRN: LLP1900014
VAT: 31070808

T +230 4335776
F +230 4335723
E rsm@rsmmu.mu

www.rsmmu.mu

Independent Auditors' Report
To the shareholders of Asian Trails Holding Ltd.

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 shareholders, as a body, for our audit work, for this report, or for the opinion we have formed.

Opinion
We have audited the financial statements of Asian Trails Holding Ltd. set out on pages 8 to 30, which comprise the statement of financial position as at 31 December 2022, 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.

The Company has claimed for exemption from consolidation under the fourteenth schedule of the Mauritius Companies Act 2001. In our opinion, the financial statements present fairly, in all material respects, the financial position of Asian Trails Holding Ltd. as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and 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 Accountant's 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. We have fulfilled our other ethical responsibilities in accordance with these requirements and to 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 Directors' Report as required by the Mauritius 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 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.

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

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

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

- 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 Mauritius 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, other than in our capacity as auditor;
- We have obtained all information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

RSM (Mauritius) LLP
Chartered Accountants
Moka, Mauritius

Parvishsing Bisnauthsing, FCCA
Licensed by FRC

Date: 29 June 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 USD	2021 USD
Income			
Interest income		**1,288,614**	737,197
		1,288,614	737,197
Expenses			
Management fees		**382,108**	352,155
Directors' fees		**4,500**	1,500
Secretarial fees		**2,400**	800
Administration fees		**29,175**	51,621
Licence fees		**1,255**	-
Consultancy fees		**157,500**	154,600
Audit fees		**9,600**	7,000
Accountancy fees		-	3,500
Tax fees		**125,722**	15,490
Amortisation	**6**	**305,592**	238,078
Sundry expenses		**24,204**	8,843
Travel and entertainment expenses		**57,880**	84,839
Computer expenses		**410,385**	375,922
		1,510,321	1,294,348
Loss from operating activities		**(221,707)**	(557,151)
Net finance cost	**5**	**(992,016)**	(298,085)
Loss before taxation		**(1,213,723)**	(855,236)
Taxation	**4**	-	-
Loss for the year		**(1,213,723)**	(855,236)
Other comprehensive income		-	-
Total comprehensive income for the year		**(1,213,723)**	(855,236)

The notes on pages 12 to 30 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	Notes	2022 USD	2021 USD
ASSETS			
Non-current assets			
Intangible assets	**6**	**901,778**	1,021,524
Investment in subsidiaries	**7**	**28,155,616**	27,804,203
Investment in joint venture	**8**	**-**	-
Loans and other receivables	**9**	**12,889,144**	9,252,725
		41,946,538	38,078,452
Current assets			
Loans and other receivables	**9**	**1,245,166**	845,468
Cash and cash equivalents		**64,404**	399,515
		1,309,570	1,244,983
Total assets		**43,256,108**	39,323,435
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	**10**	**2,271,142**	2,271,142
Retained earnings		**13,482,581**	14,696,304
		15,753,723	16,967,446
Liabilities			
Non-current liabilities			
Trade and other payables	**11**	**1,434,146**	1,782,967
Current liabilities			
Trade and other payables	**11**	**26,068,239**	20,573,022
Total equity and liabilities		**43,256,108**	39,323,435

Approved by the Board of Directors and authorised for issue on 29 June 2023

DocuSigned by:
91CB1B11FA0F404...
....
Rishikesh Batoosam
Director

DocuSigned by:
BDAED2EF1893436...
....
Rishal Tanee
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 2022

	Stated capital USD	Retained earnings USD	Total USD
Balance at 01 January 2021	2,271,142	15,551,540	17,822,682
Total comprehensive income for the year	-	(855,236)	(855,236)
Balance at 31 December 2021	**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**

	2022 USD	2021 USD
Cash flows from operating activities		
Loss before taxation	**(1,213,723)**	(855,236)
Adjustments for:		
Amortisation and impairment	**305,592**	238,078
Operating loss before working capital changes	**(908,131)**	(617,158)
Change in trade and other receivables	**(399,698)**	39,299
Change in trade and other payables	**905,617**	449,472
Cash used in operating activities	**(402,212)**	(128,387)
Tax paid	-	-
Net cash used in operating activities	**(402,212)**	(128,387)
Cash flows from investing activities		
Purchase of intangible assets	**(185,846)**	(316,550)
Acquisition of investments	**(351,413)**	-
Loan granted	**(3,636,419)**	(7,325,725)
Load repaid	-	80,000
Net cash used in investing activities	**(4,173,678)**	(7,562,275)
Cash flows from financing activities		
Loan advanced	**4,589,600**	8,917,000
Repayment of loan	**(348,821)**	(992,033)
Net cash from financing activities	**4,240,779**	7,924,967
Net movement in cash and cash equivalents	**(335,111)**	234,305
Cash and cash equivalents at the beginning of the year	**399,515**	165,210
Cash and cash equivalents at the end of the year	**64,404**	399,515

The notes on pages 12 to 30 form part of these financial statements.

1. GENERAL INFORMATION

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.

The Company is the holder of a Global Business Licence under the Financial Services Act 2007. Since 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.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Company has subsidiaries and a joint venture and in accordance with International Financial Reporting 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 International Financial Reporting Standards ("IFRS") and interpretations 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 financial statements are presented in the 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.

(d) Use of the estimates and judgement

The preparation of financial statements 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 estimates are revised and in any future periods affected.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there on are dependent on the functional currency selected. As described in 2(c), the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise stated.

(a) Revenue recognition

Revenue is recognised in the statement of profit or loss and other comprehensive income as follows:

- Dividend income: when the Company's right to receive payment is established.
- Interest income: as it accrues (taking into account the effective yield on the assets).
- Royalty fees are recognised in accordance with the substance of the relevant agreements in place.

(b) Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all 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 the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into USD at the foreign exchange rate at the financial reporting date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost are translated to USD at the foreign exchange rate at the date of transactions. Foreign exchange differences arising on translation are recognised in the statement of profit or loss and other comprehensive income.

(d) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) 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.

(f) 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.

(g) Non-derivative financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories, as set out in IFRS 9:

- those to be measured subsequently at fair value (either through OCI (FVOCI) or through profit or loss (FVPL)), and;
- those to be measured at amortised cost

The basic classification and measurement category is FVPL unless restrictive criteria are met for classifying the asset at 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.

(ii) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Non-derivative financial assets (Continued)

(ii) Measurement (Continued)

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.

- 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.

(iii) Impairment

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Non-derivative financial assets (Continued)

(iii) Impairment (Continued)

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.

(iv) Recognition and 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.

(h) Non-derivative financial liabilities

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.

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.

(i) 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.

(j) Interest income

Interest income is recognised in profit or loss proportion basis that takes into accounts the effective yield on the assets.

(j) Expenses

All expenses are recognised in the statement of profit or loss and other comprehensive income on the accrual basis.

(k) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) 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.

(m) New and amended standards

In the current year, the following revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 January 2022.

Standards		**Definitions**
IFRS 1, IFRS 9, IFRS 16 and IAS 41	First-time Adoption of International Financial Reporting Standards	Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter)
IFRS 3	Business Combinations	Amendments updating a reference to the Conceptual Framework
IAS 16	Property, Plant and Equipment	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Amendments regarding the costs to include when assessing whether a contract is onerous

Management has assessed the impact of these revised standards and concluded none of these had any impact on the disclosures of these financial statements.

(n) Standards, amendments to existing standards and interpretations that are not yet effective and have not been adopted early by the Company

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Standards, amendments to existing standards and interpretations that are not yet effective and have not been adopted early by the Company (Continued)

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**
IFRS 16	Leases	Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	01 January 2024
IFRS 17	Insurance Contracts	Amendments regarding the initial application of IFRS 17 and IFRS 9	01 January 2023
IAS 1	Presentation of Financial Statements	Amendments regarding the classification of debt with covenants	01 January 2024
IAS 1	Presentation of Financial Statements	Amendments regarding to the accounting policies	01 January 2023
AS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Amendments regarding the definition of accounting estimates	01 January 2023
IAS 12	Income Taxes	Amendments regarding deferred tax on leases and decommissioning obligations	01 January 2023

The standards are not expected to have any major impact on the Company's financial statements.

4. TAXATION

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. 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. Entities which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and have benefited from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company was 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.

As from 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 is 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 some of the income derived, including but not limited to foreign source dividends or interest income.

4. TAXATION (CONTINUED)

Tax reconciliation:

A reconciliation of the income tax expense based on accounting profit and actual income tax expense is as follows:

	2022 USD	2021 USD
Loss before taxation	(**1,213,723**)	(855,236)
Income tax at 15%	(**182,058**)	(128,285)
Expenses not allowed	**96,778**	155,530
Deductible items		
Annual allowance	(**24,665**)	(49,517)
Exempt income	(**67**)	(26,202)
Deferred tax asset	**110,012**	48,474
Income tax charge	-	-

The accumulated tax losses of **USD 1,056,580** (2021: USD 323,167) are available for set off against future income as follows:

	USD
31 December 2026	**323,167**
31 December 2027	**733,413**
	1,056,580

5. FINANCE COST

	2022 USD	2021 USD
Interest expense	(**999,415**)	(282,775)
Exchange difference	**21,657**	2,139
Bank charges	(**14,258**)	(17,449)
Net finance cost	(**992,016**)	(298,085)

6. INTANGIBLE ASSETS

	2022	2021
Computer Software	**USD**	USD
Cost:		
At beginning of year	**2,064,652**	1,748,102
Addition during the year	**185,846**	316,550
At end of year	**2,250,498**	2,064,652
Amortisation and impairment:		
At beginning of year	**1,043,128**	805,050
Charge for the year	**305,592**	238,078
At end of year	**1,348,720**	1,043,128
Net book value	**901,778**	1,021,524

7. INVESTMENT IN SUBSIDIARIES

	2022 USD	2021 USD
At beginning of year	**27,804,203**	27,804,203
Addition during the year	**351,413**	-
At end of year	**28,155,616**	27,804,203

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.	117,600 ordinary shares	49%	Thailand
PT Asian Trails Indonesia	1,320 ordinary shares	66 %	Indonesia
Asian Trails (M) Sdn. Bhd	500,000 ordinary shares	100 %	Malaysia
Asian Trails (Laos) Ltd.	14,000 ordinary shares	70%	Laos
Asian Trails Ltd (Cambodia)	9,500 ordinary shares	95%	Cambodia
Asian Trails Tour Ltd.	8,500 ordinary shares	85%	Myanmar
Asian Trails Vietnam	21,000 ordinary shares	70%	Vietnam
Kuoni Destination Management China	N/A	100%	China
Asian Trails (M) Sdn. Bhd	5,000,000 redeemable and convertible preference shares	100 %	Malaysia
Asian Trails Singapore Pte. Ltd.	100,000 Ordinary shares	100 %	Singapore

As at 31 December 2022, 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.

8. INVESTMENT IN JOINT VENTURE

	2022 USD	2021 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 2022, the investment remains impaired.

9. LOANS AND OTHER RECEIVABLES

	2022 USD	2021 USD
Royalty receivable (Note 12 (a))	**1,058,956**	638,335
Loan receivables from subsidiaries (Note 12 (b))	**12,889,144**	9,252,725
Other receivables	**29,086**	62,498
Prepayments	**157,124**	144,635
	14,134,310	10,098,193

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:

	2022 USD	2021 USD
Non-current assets	**12,889,144**	9,252,725
Current assets	**1,245,166**	845,468
	14,134,310	10,098,193

10. STATED CAPITAL

	2022 USD	2021 USD
Issued and fully paid:		
125,000 (2021 - 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.

11. TRADE AND OTHER PAYABLES

	2022 USD	2021 USD
Loan payable to holding entity (Note 12 (c))	**18,634,317**	14,044,717
Loan payable to subsidiaries (Note 12 (d))	**1,434,146**	1,782,967
Management fees payable to holding entity (Note 12 (e))	**5,546,872**	5,546,872
Interest payable to holding entity (Note 12 (f))	**1,358,542**	401,822
Management fees payable to affiliates (Note 12 (g))	**113,034**	98,808
Interest payable to subsidiaries (Note 12 (h))	-	438
Amount payable to subsidiary (Note 12 (i))	**53,726**	20,602
Other management fees payable	**291,102**	402,858
Accrued expenses	**70,646**	56,905
	27,502,385	22,355,989

The classification of trade and other payables are as follows:

	2022 USD	2021 USD
Non-current liabilities	**1,434,146**	1,782,967
Current liabilities	**26,068,239**	20,573,022
	27,502,385	22,355,989

12. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2022, the Company transacted with related parties. The nature, volume of transactions and balances are as follows:

(a) Royalty receivable

	2022 USD	2021 USD
Asian Trails Thailand	**782,777**	561,517
Asian Trails Cambodia	**31,907**	11,183
Asian Trails International Travel Services (Beijing) Ltd.	**12,460**	11,691
Travel Circle International	**53,944**	53,944
Asian Trails Tours Limited (Myanmar)	**108,814**	-
Asian Trails (M) Sdn Bhd	**56,570**	-
Asian Trails Vietnam	**6,266**	-
Asian Trails Singapore	**6,218**	-
At end of the year	**1,058,956**	638,335

(b) Loan receivable from subsidiaries

(i) Asian Trails (M) Sdn. Bhd (ATMA) – subsidiary

	2022 USD	2021 USD
At start of the year	**950,000**	-
Advanced during the year	**660,000**	950,000
At end of the year	**1,610,000**	950,000

The loan receivable from Asian Trails (M) Sdn. Bhd (ATMA), subsidiary is unsecured, interest free and receivable in 3 years.

12. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loan receivable from subsidiaries (Continued)

	2022	2021
	USD	USD
(ii) Asian Trails Ltd. (ATT) – subsidiary		
At start of the year	**6,072,000**	1,875,000
Advanced during the year	**2,065,000**	4,197,000
At end of the year	**8,137,000**	6,072,000

The loan receivable from Asian Trails Ltd. (ATT), subsidiary is unsecured, interest free and receivable in 3 years.

	2022	2021
	USD	USD
(iii) Asian Trails Co., Ltd. (ATC) – subsidiary		
At start of the year	**390,000**	-
Advanced during the year	**335,000**	390,000
At end of the year	**725,000**	390,000

The loan receivable from Asian Trails Co., Ltd. (ATC), subsidiary is unsecured, interest free and receivable in 3 years.

	2022	2021
	USD	USD
(iv) Asian Trails Tour Limited (ATM) – subsidiary		
At start of the year	**1,160,000**	275,000
Advanced during the year	**200,000**	885,000
At end of the year	**1,360,000**	1,160,000

The loan receivable from Asian Trails Tour Limited (ATM), subsidiary is unsecured, interest free and receivable in 3 years.

	2022	2021
	USD	USD
(v) AT Lao Company Limited (ATL) – subsidiary		
At start of the year	**250,000**	100,000
Advanced during the year	**175,000**	150,000
At end of the year	**425,000**	250,000

The loan receivable from AT Lao Company Limited (ATL), subsidiary is unsecured, interest free and receivable in 3 years.

12. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loan receivable from subsidiaries (Continued)

	2022 USD	2021 USD
(vi) Asian Trails Singapore Ltd. (ATS) – subsidiary		
At start of the year	**70,725**	-
Advanced during the year	**201,419**	70,725
At end of the year	**272,144**	70,725

The loan advanced to Asian Trails Singapore Ltd. (ATS), subsidiary is unsecured, interest free and receivable in 3 years.

	2022 USD	2021 USD
(vii) Asian Trails International Travel Services (Beijing) Ltd. (ATCN) - subsidiary		
At start of the year	**360,000**	-
Advanced during the year	-	360,000
At 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.

	2022 USD	2021 USD
Loan receivables from subsidiaries		
At end of the year (Note 9)	**12,889,144**	9,252,725

(c) Loan payables to holding entity

	2022 USD	2021 USD
(i) Travel Circle International - holding entity		
At start of the year	**14,044,717**	5,302,717
Advanced during the year	**4,589,600**	8,742,000
At end of the year (Note 11)	**18,634,317**	14,044,717

The loan payable to Travel Circle International - holding entity is unsecured, interest free and repayable in 1 year.

(d) Loan payable to subsidiaries

	2022 USD	2021 USD
(i) PT Asian Trails Indonesia (ATI) – subsidiary		
At start of the year	**625,000**	1,300,000
Repayment during the year	**(330,000)**	(675,000)
At end of the year	**295,000**	625,000

12. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Loan payable to subsidiaries (Continued)

(i) PT Asian Trails Indonesia (ATI) – subsidiary (Continued)

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.

	2022 USD	2021 USD
(ii) Asian Trails Vietnam (ATV) – subsidiary		
At start of the year	**1,157,967**	1,200,000
Repayment during the year	**(18,821)**	(42,033)
At end of the year	**1,139,146**	1,157,967

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 by 01 January 2023.

	2022 USD	2021 USD
(iii) Asian Trails Co., Ltd. (ATC) – subsidiary		
At start of the year	-	100,000
Repayment during the year	-	(100,000)
At end of the year	-	-

The loan payable to Asian Trails Co., Ltd. (ATC) - subsidiary, is unsecured, interest free and has been fully paid during the year 2021.

	2022 USD	2021 USD
(iv) Asian Trails International Travel Services (Beijing) Ltd. (ATCN) - subsidiary		
At start of the year	-	-
Advanced during the year	-	175,000
Repayment during the year	-	(175,000)
At end of the year	-	-

The loan payable to Asian Trails International Travel Services (Beijing) Ltd. (ATCN) - subsidiary, is unsecured, interest free and has been fully paid during the year 2021.

	2022 USD	2021 USD
Loan payable to subsidiaries		
At end of the year (Note 11)	**1,434,146**	1,782,967

12. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Management fees payable to holding entity

	2022 USD	2021 USD
(i) Travel Circle International - holding entity		
Management fees	**5,546,872**	5,546,872
At end of the year (Note 11)	**5,546,872**	5,546,872

(f) Interest payable to holding entity

	2022 USD	2021 USD
(i) Travel Circle International - holding entity		
Interest payable	**1,358,542**	401,822
At end of the year (Note 11)	**1,358,542**	401,822

(g) Management fees payable to affiliates

	2022 USD	2021 USD
Thomas Cook India Ltd.	**97,414**	87,850
SOTC Travel Ltd.	**14,558**	10,958
Jardine Travel Solution	**1,062**	-
	113,034	98,808

(h) Interest payable to subsidiaries

	2022 USD	2021 USD
Asian Trails Vietnam	-	-
Asian Trails Cambodia	-	-
PT Asian Trails Indonesia (ATI)	-	438
	-	438

(i) Amount payable to subsidiary

	2022 USD	2021 USD
Asian Trails Ltd. (ATT)	**53,726**	20,602
	53,726	20,602

Administrator fees

Professional fees paid to administrator for the year ended 31 December 2022 was **USD 57,421** (2021 – USD 86,450), including directors' remuneration of **USD 3,000** (2021 – USD 3,000).

13. 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 emergi ng 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:

	2022	2021
	USD	USD
Loans and other receivables	**13,977,186**	9,953,558
Cash and cash equivalents	**64,404**	399,515
	=========	=========

Prepayment of **USD 157,124** (2021: USD 144,635) have not been included.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The Company has adopted the credit risk management approach of IFRS 9 as described in note 3(g)(iii). 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 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**
	========	========	========	========

At 31 December 2021

Non-derivative financial liabilities	Carrying amount USD	Within 1 year USD	On demand USD	More than 1 year USD
Trade and other payables	22,355,989	16,308,343	4,264,679	1,782,967
	========	========	========	========

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**
	2022	2021
	USD	USD
Variable rate instruments		
Cash and cash equivalents	**64,404**	399,515
	========	========

13. 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 2022 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 2022 USD	**Financial liabilities 2022 USD**	Financial assets 2021 USD	Financial liabilities 2021 USD
United States Dollars	**14,134,310**	**27,223,131**	10,497,708	21,967,361
Euro	-	**167,284**	-	289,819
INR	-	**111,971**	-	98,809
	14,134,310	**27,502,386**	10,497,708	22,355,989

Intangible assets **USD 1,021,524** (2021 – USD 1,021,524) investment in subsidiaries **USD 27,804,203** (2021 – USD 27,804,203**)** and prepayments **USD 157,124** 2021 – USD 144,635) 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 2022.

		Change in reserves
	USD 2022	USD 2021
Euro	**8,364**	14,491
INR	**5,599**	4,940

14. 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.

15. 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.

16. 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 2022.

ASIAN TRAILS (M) SDN. BHD.

Registration No. 200001012196 (514802-A)
Incorporated in Malaysia

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER 2022

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

Contents **Pages**

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.
Incorporated in Malaysia

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 Standard Chartered Bank Malaysia 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

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 2022.

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
Loss for the financial year	(2,529,878)

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. Laurent Kunzle 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	252,811

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 the this is intentionally left blank.]

AUDITORS

The auditors, Messrs. Peter Chong & Co., Chartered Accountants, have indicated their willingness to accept re-appointment.

Auditors' remuneration of the Group and the Company for the financial year ended 31st December 2022 were as follows:

	RM
Statutory audit	
- current year	19,000
- over provision in prior year	(4,000)

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: 27 MAR 2023

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 67 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 2022 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: 27 MAR 2023

Kuala Lumpur

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.
Incorporated in Malaysia

STATUTORY DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act 2016

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 67 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) ....
) **EMIR CHERIF**

27 MAR 2023

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ASIAN TRAILS (M) SDN. BHD.
Registration No. 200001012196 (514802-A)
Incorporated in Malaysia
(Cont'd)

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 2022, 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 67.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2022, 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, notwithstanding that the Company incurred a loss of RM2,529,878 during the financial year ended 31st December 2022, and as at that date, the Company's current liabilities exceeded its current assets by RM1,273,111 and capital deficiency of RM7,932,663, 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.

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.

Peter Chong & Co. AF 0165
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ASIAN TRAILS (M) SDN. BHD.
Registration No. 200001012196 (514802-A)
Incorporated in Malaysia
(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

Chong Ton Nen @ Peter Chong
No. 00394/03/2024 J
Chartered Accountant

Dated: 27 MAR 2023

Kuala Lumpur

Independent Member
BKR
INTERNATIONAL
Firms In Principal Cities Worldwide

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

	Note	2022 RM	2021 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	264,075	331,767
Right-of-use asset	6	243,920	385,654
Total non-current assets		507,995	717,421
Current assets			
Receivables	7	2,222,834	613,391
Contract assets	8	114,124	-
Cash and bank balances		1,252,510	622,892
Total current assets		3,589,468	1,236,283
TOTAL ASSETS		4,097,463	1,953,704
EQUITY AND LIABILITIES			
Equity attributable to owner of the Company			
Share capital	9	5,500,000	5,500,000
Accumulated losses		(13,432,663)	(10,902,785)
Total equity		(7,932,663)	(5,402,785)
Non-current liabilities			
Payables	10	7,092,050	3,957,700
Lease liability	11	75,497	251,642
Total non-current liabilities		7,167,547	4,209,342
Current liabilities			
Payables	10	2,099,448	277,954
Lease liability	11	176,145	151,157
Contract liabilities	8	2,586,986	2,718,036
Total current liabilities		4,862,579	3,147,147
Total liabilities		12,030,126	7,356,489
TOTAL EQUITY AND LIABILITIES		4,097,463	1,953,704

The attached notes form an integral part of these financial statements.

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ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

	Note	2022 RM	2021 RM
REVENUE	12	12,522,269	160,700
COST OF SALES	13		
- Current year		10,054,780	131,962
- Over provision in prior year		-	(140,210)
		(10,054,780)	8,248
GROSS PROFIT		2,467,489	168,948
OTHER OPERATING INCOME		202,079	99,439
MARKETING COSTS		(190,071)	(54,560)
ADMINISTRATIVE EXPENSES		(4,598,494)	(3,545,213)
LOSS FROM OPERATIONS	14	(2,118,997)	(3,331,386)
FINANCE COSTS	15	(410,881)	(113,242)
LOSS BEFORE TAXATION		(2,529,878)	(3,444,628)
TAXATION	16	-	-
LOSS FOR THE FINANCIAL YEAR		(2,529,878)	(3,444,628)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		-	-
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNER OF COMPANY		(2,529,878)	(3,444,628)

The attached notes form an integral part of these financial statements.

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

	Attributable to owner of the Company		
	Share capital RM	Accumulated losses RM	Total RM
As at 1st January 2021	5,500,000	(7,458,157)	(1,958,157)
Total comprehensive loss	-	(3,444,628)	(3,444,628)
As at 31st December 2021/ 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	5,500,000	(13,432,663)	(7,932,663)

The attached notes form an integral part of these financial statements.

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ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,529,878)	(3,444,628)
Adjustments for:-		
Bad debts written off	19,652	-
Deposit written off	-	19,880
Depreciation of property, plant and equipment	157,117	172,762
Depreciation of right-of-use asset	124,411	116,314
Interest expenses	410,881	113,242
Unrealised loss on foreign exchange	243,170	48,872
Operating loss before working capital changes	(1,574,647)	(2,973,558)
Receivables	(1,726,722)	(19,095)
Payables	4,516,224	3,145,607
Cash generated from operations	1,214,855	152,954
Repayment of interest on lease liability	(12,086)	(10,390)
Net cash generated from operating activities	1,202,769	142,564
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(89,425)	(1,909)
Net cash used in investing activities	(89,425)	(1,909)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(398,795)	(102,852)
Payments for the principal portion of lease liability	(133,834)	(108,170)
Net cash used in financing activities	(532,629)	(211,022)

The above statement of cash flows is to be read in conjunction with the notes to the financial statements.

ASIAN TRAILS (M) SDN. BHD.
Incorporated in Malaysia

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022 (Cont'd)

	Note	2022 RM	2021 RM
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		580,715	(70,367)
Effect of exchange rate changes on cash and cash equivalents		48,903	30,482
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		622,892	662,777
CASH AND CASH EQUIVALENTS CARRIED FORWARD	17	1,252,510	622,892

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 11)	
	2022 RM	2021 RM
As at 1st January	402,799	60,397
Non-cash changes	(17,323)	450,572
Cash flows	(133,834)	(108,170)
As at 31st December	251,642	402,799

CASH OUTFLOWS FOR LEASES AS A LESSEE

	Note	2022 RM	2021 RM
Included in net cash from operating activities:			
- Interest paid in relation to lease liabilities		12,086	10,390
Included in net cash from financing activities:			
- Payment of lease liabilities	11	133,834	108,170
Total cash outflows for lease		145,920	118,560

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 27 MAR 2023

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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 under the historical cost convention, except as disclosed in this summary of significant accounting policies.

During the financial year, the Company has prepared its financial statements by applying the going concern assumption, notwithstanding that the Company incurred a loss of RM2,529,878 during the financial year ended 31st December 2022, and as at that date, the Company's current liabilities exceeded its current assets by RM1,273,111 and capital deficiency of RM7,932,663, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

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.

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).

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 2022 are as follows:

(a) Amendments to MFRS 9 "Financial Instruments (Annual Improvement to MFRS Standards 2018 - 2020)"
(b) Amendments to MFRS 16 "Covid-19-Related Rent Concessions beyond 30th June 2021"
(c) Amendments to MFRS 116 "Property, Plant and Equipment – Proceeds before Intended Use"
(d) Amendments to MFRS 137 "Onerous Contracts – Cost of Fulfilling a Contract"

The adoption of amendments 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Property, plant and equipment and depreciation

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

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

All property, plant and equipment are depreciated on a straight line basis to write off the carrying amounts of each asset to its remaining useful lives. The useful lives of the property, plant and equipment of the Company are as follows:

	Number of years
Motor vehicles	5
Computers	3
Furniture and fittings	5
Office equipment	5
Renovation	5

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Impairment of non-financial assets

The carrying amount of the Company's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount 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, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in profit or loss in the period in which it arises. Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill 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 an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial instruments

(a) Financial assets

(i) Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially 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.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(i) Recognition and initial measurement (cont'd)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a. Financial assets at amortised cost (debt instruments)
b. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
c. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d. Financial assets at fair value through profit or loss

The financial assets of the Company are subsequently measured under (a) financial assets at amortised cost.

Financial assets at amortised cost

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

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

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(ii) Subsequent measurement (cont'd)

Financial assets at amortised cost (cont'd)
Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(iii) Derecognition

A financial asset is derecognised when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

    i. The Company has transferred substantially all the risks and rewards of the asset; or
    ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iii) Derecognition (cont'd)
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company would require to repay.

(b) Financial liabilities

(i) Recognition and initial measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes trade, other payables, amounts owing to immediate holding company and related companies.

(ii) Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(ii) Subsequent measurement (cont'd)

Financial liabilities at fair value through profit or loss (cont'd)
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in the hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

The measurement of financial liabilities depends on their classification, as described below:

Payables, loans and borrowings
This is the category most relevant to the Company. After initial recognition, payables, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(c) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(d) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses ("ECL") 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 has the following of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Deposits
- Amount owing from related companies
- Contract assets

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial instruments (cont'd)

(d) Impairment of financial assets (cont'd)

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Company expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is 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.

(i) Simplified approach for trade receivables and contract assets

The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Note 7 sets out the measurement details of ECL.

(ii) General 3-stage approach other than trade receivables

At each reporting date, the Company measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial instruments (cont'd)

(d) Impairment of financial assets (cont'd)

Significant increase in credit risk
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 supportable forward-looking information, where available.

A significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment. The assessment of ECL is disclosed in Note 7.

Amount due from related companies in the financial statements is assessed on group basis for ECL measurement, as credit risk information is obtained and monitored closely.

(e) Offsetting of financial instruments

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

[The remainder of the this is intentionally left blank.]

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Revenue and other income recognition

Revenue from contracts with customers upon adoption of MFRS 15
The Company recognises revenue from contracts with customers for the sale of goods based on the five-step model as set out in MFRS 15 Revenue from Contracts with Customers:

(a) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(b) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price. The transaction price is the amount of 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.

(d) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) the Company satisfies a performance obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Revenue and other income recognition (cont'd)

Revenue from contracts with customers upon adoption of MFRS 15 (cont'd)
The Company satisfies a performance obligation and recognises revenue over time if the Company's performance:

(a) Does not create an asset with an alternative use to the Company and has an enforceable right to payment for performance completed to-date; or

(b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) Provides benefits that the customer simultaneously receives and consumes as the Company performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Performance obligations are as follows:

(i) Tourism services
Fees from hotel room booking, tours and travel services are recognised when services are rendered.

(ii) Other revenues
Brochures and collaterals are recognised when services are rendered.

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Support service fee is recognised when service is rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Government subsidy

Prihatin Wage Subsidy Programme and Special Assistance Grant for Tourism Agency

Subsidy from the Government is recognised at its fair value where there is a reasonable assurance that the subsidy will be received and the Company will comply with all attached conditions. Government subsidy is presented as other operating income.

2.7 Taxation and deferred taxation

Income tax on the results for the financial year comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of the taxable profits for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax liabilities and assets are provided using the liability method at the current tax rate in respect of all temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unused tax losses and capital allowances.

Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient future taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient future taxable profit will be available, such reductions will be reversed.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Leases

(a) Definition of a lease

A contract is, or contains, a lease if the contract conveys a 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:

(i) 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;

(ii) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(iii) the customer has the right to direct the use of the asset. The customer 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 customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

(b) The Company as lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Company is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Leases (cont'd)

(b) The Company as lessee (cont'd)

(i) Lease term

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to 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 to be terminated).

The Company reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (iv) below).

(ii) ROU assets

The ROU assets are initially measured at cost comprising the following:

a. the amount of the initial measurement of lease liability;
b. any lease payments made at or before the commencement date less any lease incentive received;
c. any initial direct costs incurred by the Company; and
d. an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Leases (cont'd)

(b) The Company as lessee (cont'd)

(ii) ROU assets (cont'd)

The ROU assets are depreciated over the useful lives as follows:

	Number of years
Office	3

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

a. Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
b. Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
c. Amounts expected to be payable by the Company under residual value guarantees;
d. The exercise price of a purchase and extension options if the Company is reasonably certain to exercise that option; and
e. Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Leases (cont'd)

(b) The Company as lessee (cont'd)

(iii) Lease liabilities (cont'd)
Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Company presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

(iv) Remeasurement of lease liabilities
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, if there is a revision of in-substance fixed lease payments, or 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. When adjustments to lease payments take effect, the lease liability is remeasured and adjusted against the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

(v) Short-term leases and leases of low-value assets
The Company has elected not to recognise ROU assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets. Payments associated with these leases are recognised on a straight-line basis as an expense in profit or loss.

(c) The Company as lessor
The Company classified its leases as either operating leases or finance leases. Leases where the Company retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.5(ii).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Leases (cont'd)

(c) The Company as lessor (cont'd)
If the Company transfers substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

2.9 Foreign currencies

In preparing the financial statements of the individual entities, transactions in currencies other than entity's functional currency are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

2.10 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Employee benefits

Short term employee benefits
Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leaves are recognised when the absences occur.

Defined contribution plans
As required by law, companies in Malaysia make contributions for local employees to the state pension scheme, the Employees' Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred.

2.12 Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.13 Contingent liabilities and contingent assets
The Company does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Fair value measurements

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 a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's 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 financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows: -

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability 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.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

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 16	Lease Liability in a Sale and Leaseback	1st January 2024
- MFRS 101	Classification of Liabilities as Current or Non-current	1st January 2023
- MFRS 101	Disclosure of Accounting Policies	1st January 2023
- MFRS 101	Non-current Liabilities with Covenants	1st January 2024
- MFRS 108	Disclosure of Accounting Estimates	1st January 2023
- MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1st January 2023

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 involved making certain estimates, judgements and assumptions concerning the future. They affect the accounting policies applied, amounts of assets, liabilities, income and expenses reported and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in these estimates and assumptions by management may have an effect on the balances as reported in financial statements. Significant accounting estimates and judgements, where used, have been disclosed in the relevant notes to the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(a) Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. The Company estimates the useful lives of these assets to be within 3 to 5 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

(b) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

[The remainder of the this is intentionally left blank.]

5. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles RM	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
Cost						
As at 1st January 2021	458,777	734,954	65,230	156,835	148,189	1,563,985
Additions	-	1,909	-	-	-	1,909
As at 31st December 2021/ 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	458,777	804,863	69,130	174,360	148,189	1,655,319

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Motor vehicles RM	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
Accumulated depreciation						
As at 1st January 2021	148,695	677,240	52,184	110,891	72,355	1,061,365
Depreciation	91,754	38,693	3,814	18,280	20,221	172,762
As at 31st December 2021/ 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	332,204	743,074	59,648	143,521	112,797	1,391,244
Net carrying amounts						
As at 31st December 2022	126,573	61,789	9,482	30,839	35,392	264,075
As at 31st December 2021	218,328	20,930	9,232	27,664	55,613	331,767

6. RIGHT-OF-USE ASSET

	2022	2021
Office	**RM**	**RM**
Carrying amounts		
As at 1st January	385,654	51,396
Addition	-	516,537
Depreciation	(124,411)	(116,314)
Remeasurement	(17,323)	(65,965)
As at 31st December	243,920	385,654

The additional information about its leasing activities are as follows:

	2022	2021
	RM	**RM**
Office		
(i) Lease term	3 years	3 years
(ii) Renewal option	1 year	1 year
(iii) Termination option	No	No
(iv) Restriction imposed	No	No
(v) Lease term determined by the management	3 years	3 years

The maturity analysis of lease liability is presented in Note 11.

7. RECEIVABLES

	2022 RM	2021 RM
Trade receivables	1,418,571	147,832
Other receivables	6,150	22,268
Deposits	167,970	157,421
Prepayment	308,936	281,904
Amount owing from related companies - non-trade	321,207	3,966
	2,222,834	613,391

(a) The currency exposure profile of the receivables (exclude prepayment) is as follows (foreign currency balances are unhedged):

	2022 RM	2021 RM
Ringgit Malaysia	1,477,733	290,475
Euro	169,210	-
Singapore Dollar	-	17,365
US Dollar	266,955	23,647
	1,913,898	331,487

(b) The Company's normal trade receivables credit periods granted is 90 days (2021: 90 days).

7. RECEIVABLES (cont'd)

(c) The ageing analysis of the Company's trade receivables is as follows:

	2022 RM	2021 RM
Neither past due nor impaired	1,112,259	-
Past due but not impaired		
- 1 to 30 days	175,500	12,366
- 31 to 60 days	130,812	10,207
- 61 to 90 days	-	1,850
- 91 days and above	-	123,409
	306,312	147,832
	1,418,571	147,832

(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.

8. CONTRACT ASSETS/ (LIABILITIES)

The following table provides information about contract assets and contract liabilities from contracts with customers:

	2022 RM	2021 RM
Contract assets	114,124	-
Contract liabilities	(2,586,986)	(2,718,036)

The contract assets primarily relate to the Company's rights to consideration for contract works completed but not billed at the reporting date.

The contract assets are transferred to receivables when the rights become unconditional.

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.

8. CONTRACT ASSETS/ (LIABILITIES) (cont'd)

The movement in the contract assets and the contract liabilities during the financial year are as follows:

	2022 RM	2021 RM
Contract assets		
As at 1st January	-	-
Revenue recognised	114,124	-
As at 31st December	114,124	-

	2022 RM	2021 RM
Contract liabilities		
As at 1st January	2,718,036	2,784,003
Revenue recognised	(1,261,417)	(37,208)
Refunded to customers	(662,903)	(113,617)
Cash received, excluding amount recognised as revenue during the year	1,793,270	84,858
As at 31st December	2,586,986	2,718,036

9. SHARE CAPITAL

	2022 No. of shares	2021 No. of shares	2022 RM	2021 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.

9. 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.

9. 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 2022 and 31st December 2021.

10. PAYABLES

	2022 RM	2021 RM
Trade payables	1,011,460	71,312
Accruals	400,553	206,642
Amount owing to immediate holding company		
- trade	249,189	-
- non-trade	7,092,050	3,957,700
Amount owing to related companies - trade	438,246	-
	9,191,498	4,235,654
Disclosed as:		
- Non-current	7,092,050	3,957,700
- Current	2,099,448	277,954
	9,191,498	4,235,654

(i) The currency exposure profile of the payables are as follows:

	2022 RM	2021 RM
Ringgit Malaysia	1,412,013	277,954
Euro	239,736	-
Singapore Dollar	24,701	-
US Dollar	7,515,048	3,957,700
	9,191,498	4,235,654

10. PAYABLES (cont'd)

(ii) The normal trade credit periods granted to the Company range from 30 to 90 days (2021: 30 to 90 days) or such other period as negotiated with the suppliers.

(iii) The trade amount owing to immediate holding company and related companies are unsecured, interest-free and repayable within the normal credit period.

(iv) The non-current portion of amount owing to immediate holding company represents loan financing with interest bearing of 3.94% to 7.90% (2021: 3.90% to 6.50%). The outstanding consideration is repayable after 3 years from year 2022.

(v) The related party transactions are disclosed in Note 18.

11. LEASE LIABILITY

	2022 RM	2021 RM
Non-current	75,497	251,642
Current	176,145	151,157
	251,642	402,799

(i) The incremental borrowing rate applied to the lease liability is 4.002% (2021: 4.002%) per annum.

(ii) The movements of lease liabilities during the financial year are as follows:

	2022 RM	2021 RM
As at 1st January	402,799	60,397
Addition	-	516,537
Remeasurement	(17,323)	(65,965)
Principal payment	(133,834)	(108,170)
As at 31st December	251,642	402,799

11. LEASE LIABILITY (cont'd)

(iii) Lease liability obligations:

	2022 RM	2021 RM
Minimum lease payments:		
- Not later than 1 year	182,400	164,160
- Later than 1 year and not later than 5 years	76,000	258,400
	258,400	422,560
Less: Unexpired finance charges	(6,758)	(19,761)
	251,642	402,799
Present value of lease liabilities:		
- Not later than 1 year	176,145	151,157
- Later than 1 year and not later than 5 years	75,497	251,642
	251,642	402,799

(iv) There is no expense relating to variable lease payments not included in the measurement of lease liability.

(v) The corresponding right-of-use assets of the lease liabilities are as disclosed in Note 6.

12. REVENUE

	2022 RM	2021 RM
Revenue from contracts with customers, recognised at point in time		
- Tourism service fee	12,522,269	160,700

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

	2022 RM	2021 RM
Geographical market		
Asia	2,091,386	160,700
Europe	9,571,568	-
Others	859,315	-
	12,522,269	160,700

The following table provides information about receivables and contract liabilities from contracts with customers:

	2022 RM	2021 RM
Trade receivables (Note 7)	1,418,571	147,832
Contract assets (Note 8)	114,124	-
Contract liabilities (Note 8)	(2,586,986)	(2,718,036)

No information provided about the remaining performance obligations at 31st December 2022 and 31st December 2021 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. LOSS FROM OPERATIONS

The following items have been (credited)/ charged in arriving at loss from operations:

	2022 RM	2021 RM
Auditors' remuneration		
- Current year	19,000	19,000
- Over provision in prior year	(4,000)	-
Bad debts written off	19,652	-
Deposit written off	-	19,880
Depreciation of property, plant and equipment	157,117	172,762
Depreciation of right-of-use asset	124,411	116,314
Directors' remuneration (Note 18(c))	252,811	246,709
Loss/ (gain) on foreign exchange		
- realised	62,593	(4,705)
- unrealised	243,170	48,872
Rental income	(2,000)	(2,400)
Staff costs		
- Salaries, allowances, wages and bonuses	2,746,690	2,218,544
- Employees' Provident Fund	249,699	180,877
- Other employee benefits	80,240	72,564
Special assistance grant for tourism agency	(16,862)	(6,000)

15. FINANCE COSTS

	2022 RM	2021 RM
Interest charged by immediate holding company	398,795	102,852
Interest in lease liability	12,086	10,390
	410,881	113,242

16. TAXATION

Reconciliation of tax income with accounting loss:

	2022 RM	2021 RM
Loss before taxation	(2,529,878)	(3,444,628)
Tax at current income tax rate at 24%	(607,171)	(826,711)
Tax effects in respect of:		
- Depreciation of non-qualifying property, plant and equipment	9,696	9,817
- Non-allowable expenses	173,500	8,119
- Unrealised loss on foreign exchange	58,361	11,729
- Deferred tax assets not recognised	365,614	797,046
	-	-

The Company has the following potential deferred tax asset which has not been recognised:

	2022 RM	2021 RM
Unused business losses	7,240,000	5,833,000
Unused capital allowances	368,000	240,000
Timing difference between accounting depreciation and capital allowance	(126,000)	(115,000)
	7,482,000	5,958,000
Potential deferred tax asset not recognised at 24%	1,796,000	1,430,000

16. TAXATION (cont'd)

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:

	2022 RM	2021 RM
Utilisation period		
Indefinite	368,000	240,000
Within 8 years	2,741,000	-
Within 9 years	3,092,000	2,741,000
Within 10 years	1,407,000	3,092,000
	7,608,000	6,073,000

[The remainder of the this is intentionally left blank.]

17. CASH AND CASH EQUIVALENTS

	2022 RM	2021 RM
Represented by:		
Cash in hand	1,208	2,730
Bank balances	1,251,302	620,162
	1,252,510	622,892

The currency exposure profile of the cash and bank balances are as follows:

	2022 RM	2021 RM
Ringgit Malaysia	875,623	315,754
US Dollar	344,334	273,887
Euro	32,553	33,251
	1,252,510	622,892

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 to the financial statements.

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:

	2022 RM	2021 RM
Professional fee charged by:		
- Asian Trails Ltd.	149,842	130,560
- Asian Trails Holding Ltd.	124,972	117,798
- Asian Trails (Vietnam) Co. Ltd.	-	4,266
- Asian Trails Tours Ltd.	9,928	-
- Desert Adventures Tourism LLC.	29,071	27,486
- P.T. Asian Trails Indonesia	6,872	-
Loan financing from:		
- Asian Trails Holding Ltd.	3,134,350	3,957,700

18. SIGNIFICANT RELATED PARTIES DISCLOSURES (cont'd)

(b) Related party transactions (cont'd)

	2022 RM	2021 RM
Interest expenses charged by:		
- Asian Trails Holding Ltd.	398,795	102,852
Sales to related companies:		
- Asian Trails Ltd.	91,465	200,814
- Asian Trails Singapore Pte. Ltd	446,421	-
- SOTC Travel Limited	299,955	-
- Thomas Cook India Ltd.	274,880	-
Support service fee charged to:		
- Asian Trails International Travel Services (Beijing) Ltd.	6,541	6,156
- Asian Trails Tour Ltd.	6,541	6,156
- Asian Trails (Cambodia) Ltd.	6,546	6,156
- Asian Trails (Laos) Ltd.	6,541	6,156
- P.T. Asian Trails Indonesia	19,675	18,518
- Asian Trails (Vietnam) Co. Ltd.	19,675	18,518
- Asian Trails Ltd.	26,216	24,674
- Asian Trails Singapore Pte. Ltd	100,882	-

Information regarding outstanding balances arising from related party transactions as at 31st December 2022 and 31st December 2021 are disclosed in Note 7 and Note 10.

(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:

	2022 RM	2021 RM
Directors' remuneration		
- Salaries, bonuses and allowances	252,811	246,709

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
2022		
Financial assets		
Receivables *	1,913,898	1,913,898
Cash and bank balances	1,252,510	1,252,510
	3,166,408	3,166,408
Financial liabilities		
Payables	(9,191,498)	(9,191,498)
Lease liability	(251,642)	(251,642)
	(9,443,140)	(9,443,140)
2021		
Financial assets		
Receivables *	331,487	331,487
Cash and bank balances	622,892	622,892
	954,379	954,379
Financial liabilities		
Payables	(4,235,654)	(4,235,654)
Lease liability	(402,799)	(402,799)
	(4,638,453)	(4,638,453)

* Receivables exclude prepayment as they do not meet the definition of financial instrument.

19. FINANCIAL INSTRUMENTS (cont'd)

(b) Net loss arising from financial instruments

	2022 RM	2021 RM
Net loss on:		
Financial assets at amortised cost	19,652	19,880
Financial liabilities at amortised cost	410,881	113,242
	430,533	133,122

(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:

	2022 **RM**	**2021** **RM**
Financial assets		
- Receivables	436,165	41,012
- Cash and bank balances	376,887	307,138
	813,052	348,150
Financial liabilities		
- Payables	7,779,485	3,957,700

5% and 10% (2021: 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)/ Increase in profit after tax RM	(Decrease)/ Increase in equity RM
Effect of changes in RM against foreign currency		
2022		
- Weakened by 5%	(260,202)	(260,202)
- Weakened by 10%	(520,404)	(520,404)
2021		
- Weakened by 5%	(133,477)	(133,477)
- Weakened by 10%	(266,954)	(266,954)

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

The Company practices prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

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	1 - 2 years RM	3 - 5 years RM
2022						
Payables classified as financial liabilities (Note 19(a))	9,191,498	3.94 - 7.90	10,450,898	2,519,248	419,800	7,511,850
Lease liability	251,642	4.00	258,400	182,400	76,000	-
	9,443,140		10,709,298	2,701,648	495,800	7,511,850
2021						
Payables classified as financial liabilities (Note 19(a))	4,235,654	3.90 - 6.50	4,853,054	483,754	205,800	4,163,500
Lease liability	402,799	4.00	422,560	151,157	182,400	89,003
	4,638,453		5,275,614	634,911	388,200	4,252,503

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

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 2022 and 31st December 2021, no financial assets and liabilities were carried at fair value.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with current year's presentation.

22. CURRENCY

All amounts are stated in Ringgit Malaysia, unless otherwise indicated.

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

DETAILED PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

	2022 RM	2021 RM
REVENUE		
Tourism service fee	12,522,269	160,700
COST OF SALES		
Hotel, ticketing and tour package		
- Current year	10,054,780	131,962
- Over provision in prior years	-	(140,210)
	(10,054,780)	8,248
GROSS PROFIT	2,467,489	168,948
OTHER OPERATING INCOME		
Brochures and collaterals		
- Current year	36,890	-
- Over recognised in prior years	(46,290)	-
Realised gain on foreign exchange	-	4,705
Rental income	2,000	2,400
Special assistance grant for tourism agency	16,862	6,000
Support service fee	192,617	86,334
	202,079	99,439
	2,669,568	268,387
MARKETING COSTS	(190,071)	(54,560)
ADMINISTRATIVE EXPENSES	(4,598,494)	(3,545,213)
LOSS FROM OPERATIONS	(2,118,997)	(3,331,386)
FINANCE COSTS	(410,881)	(113,242)
LOSS BEFORE TAXATION	(2,529,878)	(3,444,628)

The above detailed profit or loss was prepared for management purposes only and does not form part of the audited financial statements.

ASIAN TRAILS (M) SDN. BHD.
Incorporated in Malaysia

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

	2022 RM	2021 RM
MARKETING COSTS		
Marketing survey expenses	96,863	26,148
Travelling and accommodation	93,208	28,412
	190,071	54,560

ADMINISTRATIVE EXPENSES		
Auditors' remuneration		
- Current year	19,000	19,000
- Over provision in prior year	(4,000)	-
Bad debts written off	19,652	-
Bank charges	21,760	5,234
Deposit written off	-	19,880
Depreciation of property, plant and equipment	157,117	172,762
Depreciation of right-of-use asset	124,411	116,314
Directors' remuneration	252,811	246,709
Electricity and water	16,988	6,040
Electronic data processing maintenance fee	35,448	12,493
Gift and donation	392	-
Insurance and road tax	60,565	45,352
Legal fee	12,000	-
Legal fee - disbursements	50	-
Licence fee	31,773	27,531
Loss on foreign exchange:		
- realised	62,593	-
- unrealised	243,170	48,872
Office expenses	17,816	9,822
Postage and courier	706	675
Printing and stationery	9,797	4,059
Professional fees	320,685	289,717
Balance carried forward	1,402,734	1,024,460

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 2022 (Cont'd)

	2022 RM	2021 RM
ADMINISTRATIVE EXPENSES (cont'd)		
Balance brought forward	1,402,734	1,024,460
Repair and maintenance	16,421	1,521
Recruitment cost	19,116	1,442
Staff costs		
- Salaries, allowances, wages and bonuses	2,746,690	2,218,544
- Employees' Provident Fund	249,699	180,877
- SOCSO	50,021	24,795
- Others	14,401	28,624
- Staff training	-	1,573
- Staff uniform	250	-
- Staff welfare and refreshment	15,568	17,572
Subscription fee	1,471	5,344
Tax consulting fee	16,896	9,000
Telephone and fax	53,042	29,161
Upkeep of computers	4,543	460
Workers' permit	7,642	1,840
	4,598,494	3,545,213

	2022 RM	2021 RM
FINANCE COSTS		
Interest charged by immediate holding company	398,795	102,852
Interest in lease liability	12,086	10,390
	410,881	113,242

The above detailed profit or loss was prepared for management purposes only and does not form part of the audited financial statements.

ASIAN TRAILS SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE

ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of Asian Trails Singapore Pte. Ltd. (the Company) for the financial year ended 31st December 2022.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements set out on pages 6 to 30 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st December 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date; 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.

2. DIRECTORS

The directors in office at the date of this statement are as follows:-

Emir Cherif
Laurent Kunzle
Lim Geok Thye
Marcel Jordi Grifoll
Misitsakul Lersan

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object is 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.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of Directors and Company in which interests are held	Number of Ordinary shares At 01/01/2022	At 31/12/2022
Immediate Holding Company		
Asian Trails Holding Ltd.		
Laurent Kunzle	12,500	12,500
Misitsakul Lersan	12,500	12,500

5. SHARE OPTIONS

During the year, no option to take up unissued shares of the Company has been granted, and there were no shares issued by virtue of the exercise of options. As at 31st December 2022, there were no unissued shares under option outstanding.

6. INDEPENDENT AUDITORS

The independent auditors, JACHIN PUBLIC ACCOUNTING CORPORATION, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

EMIR CHERIF
Director

LAURENT KUNZLE
Director

SINGAPORE
17 FEB 2023

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE
(Company Registration No: 201200048H)

3 Shenton Way #12-06 Shenton House Singapore 068805 Tel: (65) 62227275 Fax: (65) 62226926

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ASIAN TRAILS SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

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 statement of financial position as at 31st December 2022, 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, 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 31st December 2022 and of the financial performance, changes in equity and cash flows of the Company for the financial 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 Auditors' 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 Information

Management is responsible for the other information. The other information comprises the Statement by Director but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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.

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE
(Company Registration No: 201200048H)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

Responsibilities 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.

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 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.

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE
(Company Registration No: 201200048H)

3 Shenton Way #12-06 Shenton House Singapore 068805 Tel: (65) 62227275 Fax: (65) 62226926

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 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

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.

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

SINGAPORE
17 FEB 2023

ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

	NOTE	2022 S$	2021 S$
NON-CURRENT ASSETS			
Plant and equipment	4	3,014	-
CURRENT ASSETS			
Contract assets	5	163,630	-
Trade and other receivables	6	1,226,102	37,187
Cash and cash equivalents	7	247,803	33,477
		1,637,535	70,664
LESS: CURRENT LIABILITIES			
Contract liabilities	5	714,282	37,715
Trade and other payables	8	477,761	16,976
		1,192,043	54,691
NET CURRENT ASSETS		445,492	15,973
NON-CURRENT LIABILITIES			
Loans from immediate holding company	9	(365,000)	(95,000)
NET ASSETS/(LIABILITIES)		83,506	(79,027)
REPRESENTING:			
EQUITY			
Share capital	10	190,000	100,000
Accumulated losses		(106,494)	(179,027)
TOTAL EQUITY		83,506	(79,027)

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022

	NOTE	2022 S$	2021 S$
REVENUE	11	2,891,831	3,041
Cost of sales		(2,519,184)	(3,259)
Gross profit/(loss)		372,647	(218)
Other income	12	7,371	-
Selling and distribution expenses		(37,594)	-
Administrative expenses		(254,115)	(142,113)
Finance costs	13	(15,776)	(2,116)
PROFIT/(LOSS) BEFORE TAX	14	72,533	(144,447)
Income tax expense	15	-	-
PROFIT/(LOSS) FOR THE YEAR		72,533	(144,447)
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		72,533	(144,447)

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

ASIAN TRAILS SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2022

	NOTE	SHARE CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
		S$	S$	S$
2022				
BALANCE AS AT 1ST JANUARY 2022		100,000	(179,027)	(79,027)
Total comprehensive income				
Net profit for the year		-	72,533	72,533
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		-	72,533	72,533
Contributions by and distributions to owner				
Issuance of Preference Shares	10	90,000	-	90,000
Total transactions with owner, recognised directly in equity		90,000	-	90,000
BALANCE AS AT 31ST DECEMBER 2022		190,000	(106,494)	83,506
2021				
BALANCE AS AT 1ST JANUARY 2021		100,000	(34,580)	65,420
Total comprehensive loss				
Net loss for the year		-	(144,447)	(144,447)
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive loss for the year		-	(144,447)	(144,447)
Contributions by and distributions to owner		-	-	-
BALANCE AS AT 31ST DECEMBER 2021		100,000	(179,027)	(79,027)

ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	NOTE	2022 S$	2021 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT/(LOSS) BEFORE TAX		72,533	(144,447)
Adjustments for :-			
Depreciation of plant and equipment	4	573	-
Interest expense	13	15,776	2,116
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		88,882	(142,331)
Contract assets		(163,630)	-
Trade and other receivables		(1,188,915)	(34,177)
Contract liabilities		676,567	38,399
Trade and other payables		460,785	12,041
NET CASH USED IN OPERATING ACTIVITIES		(126,311)	(126,068)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to plant and equipment	4	(3,587)	-
NET CASH USED IN INVESTING ACTIVITIES		(3,587)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(15,776)	(2,116)
Loans from immediate holding company	9	270,000	95,000
Proceeds from issuance of preference shares	10	90,000	-
NET CASH GENERATED FROM FINANCING ACTIVITIES		344,224	92,884
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		214,326	(33,184)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		33,477	66,661
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	247,803	33,477

ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Cash flows		Non-cash changes	
	1 January 2022	Proceeds from borrowings	Principal and interest payments	Interest expense	31 December 2022
	S$	S$	S$	S$	S$
Loans from immediate holding company	95,000	270,000	(15,776)	15,776	365,000

		Cash flows		Non-cash changes	
	1 January 2021	Proceeds from borrowings	Principal and interest payments	Interest expense	31 December 2021
	S$	S$	S$	S$	S$
Loans from immediate holding company	-	95,000	(2,116)	2,116	95,000

ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

NOTES ON THE FINANCIAL STATEMENTS – 31ST DECEMBER 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

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.

The financial statements of the Company for the year ended 31st December 2022, were authorised for issue by the director on 17th February 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted in the preparation of these financial statements:-

(a) BASIS OF PREPARATION

These financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) and the provisions of the Singapore Companies Act 1967. The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

The preparation of financial statements in conformity with FRS 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 assumptions and estimates are significant to the financial statements are disclosed in Note 3.

In the current financial year, the Company had adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective in the current financial year.

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) BASIS OF PREPARATION (CONT'D)

New or Revised Accounting Standards and Interpretations

The directors do not anticipate that the adoption in future periods of FRSs, INT FRSs and amendment to FRSs that were issued at the date of authorisation of these financial statements but not yet effective, to have a significant impact on these financial statements in the period of their initial adoption.

(b) PLANT AND EQUIPMENT

(i) Measurement

(aa) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(bb) Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computer	3 years

The residual values, estimated useful lives and depreciation method of 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.

(iii) Subsequent expenditure

Subsequent expenditure relating to 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 entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) IMPAIRMENT OF NON-FINANCIAL ASSETS
- Plant and equipment

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, 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 inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-units ("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 (or CGU) 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.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. 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 any accumulated amortisation or 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.

(d) FINANCIAL ASSETS

(i) Classification and measurement

The Company classifies and measures its financial assets at amortised cost. The classification 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 asset.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) 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 asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) FINANCIAL ASSETS (CONT'D)

(iii) At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The Company only has debt instruments at amortised cost.

Amortised cost: Debt instruments 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 financial asset 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 interest income using the effective interest rate method.

(iv) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment provisions for trade receivables are recognised based on the simplified approach within FRS 109 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related companies and related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) FINANCIAL ASSETS (CONT'D)

(v) Recognition and 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 risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(e) CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

(f) 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.

(g) OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(h) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) FINANCIAL LIABILITIES (CONT'D)

(ii) 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) De-recognition

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 de-recognition 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.

(i) 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.

(j) BORROWINGS

Borrowings are initially recognised at fair value (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.

(k) 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.

(l) LEASES

When the Company is the lessee:

At the inception of the contract, the Company assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) LEASES (CONT'D)

- Right-of-use assets

The Company recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are 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.

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Plant and equipment".

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

Lease payments include the following:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For a contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Company has elected to not separate lease and non- lease components for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:
- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) LEASES (CONT'D)

- Short term and low value leases

  The Company has elected to not recognise 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, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(m) REVENUE RECOGNITION

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.

(i) 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.

(ii) Interest income

Interest income is recognised using the effective interest method.

(n) GOVERNMENT GRANTS

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) EMPLOYEE COMPENSATION

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) 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.

(ii) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for unutilised annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

(iii) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

(p) BORROWING COSTS

Borrowing costs are recognised in profit or loss using the effective interest method.

(q) 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.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) INCOME TAXES (CONT'D)

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

(r) RELATED PARTIES

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Company if that person:
  - (aa) has control or joint control over the Company;
  - (bb) has significant influence over the Company; or
  - (cc) is a member of the key management personnel of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:
  - (aa) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (bb) 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).
  - (cc) both entities are joint ventures of the same third party.
  - (dd) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (ee) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  - (ff) the entity is controlled or jointly controlled by a person identified in (i).
  - (gg) a person identified in (i) (aa) 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).
  - (hh) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) CURRENCY TRANSLATION

The financial statements are presented in Singapore Dollar ("S$"), which is the functional currency of the Company.

Transactions in a currency other than the functional currency ("foreign currency") are translated into the 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.

(t) 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.

Preference shares are classified as equity if they are non-redeemable, or are redeemable at the option of the Company and dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENTS

CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

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 Critical accounting estimates and assumptions

Impairment of trade receivables

Management determines the expected loss arising from default for trade receivables by categorised them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customer. However, 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.

The carrying amount of the Company's trade receivables as at 31 December 2022 was S$525,278 (2021: S$3,097).

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. PLANT AND EQUIPMENT

	Computer	Total
	S$	S$
COST		
At 01/01/2021	-	-
Additions	-	-
Disposals	-	-
At 31/12/2021	-	-
Additions	3,587	3,587
Disposals	-	-
At 31/12/2022	3,587	3,587
ACCUMULATED DEPRECIATION		
At 01/01/2021	-	-
Charge for the year	-	-
Disposals	-	-
At 31/12/2021	-	-
Charge for the year	573	573
Disposals	-	-
At 31/12/2022	573	573
NET CARRYING VALUE		
At 31/12/2022	3,014	3,014
At 31/12/2021	-	-

5. CONTRACT ASSETS/(LIABILITIES)

	2022	2021
	S$	S$
Contract assets	163,630	-
Contract liabilities	(714,282)	(37,715)

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

	Contract assets		Contract liabilities	
	2022	2021	2022	2021
	S$	S$	S$	S$
Revenue recognised that was included in the contract liability balance at the beginning of the year	-	-	32,523	-
Increases due to cash received, excluding amounts recognised as revenue during the year	-	-	(709,090)	(37,715)
Contract asset reclassified to trade receivables	-	-	-	-
Changes in measurement of progress	163,630	-	-	-

6. TRADE AND OTHER RECEIVABLES

	2022 S$	2021 S$
Trade receivables		
- Related companies	417,242	-
- Third parties	108,036	3,097
Other receivables		
- Related company	116,514	-
- Third parties	113,344	-
Advances to suppliers	356,476	15,294
Deposits	5,697	2,697
Prepayments	108,793	14,568
GST receivable	-	1,531
	1,226,102	37,187

The age analysis of the trade receivables that are past due but not impaired is as follows:

	2022 S$	2021 S$
Past due:		
- Less than 30 days	131,086	1,258
- From 31 to 60 days	55,248	224
- From 61 to 90 days	6,104	-
- More than 90 days	2,749	-
	195,187	1,482

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime expected credit losses ("ECL").

In assessing the expected credit loss, the Company considers historical credit loss experiences, payments history and current and forward-looking macroeconomics factors affecting the ability of the customers to settle the receivables. The Company assessed the risk of default of trade receivables to be minimal and are subject to immaterial credit loss.

7. CASH AND CASH EQUIVALENTS

	2022 S$	2021 S$
Cash at bank	246,014	33,477
Cash on hand	1,789	-
	247,803	33,477

8. TRADE AND OTHER PAYABLES

	2022 S$	2021 S$
Trade payables		
- Related company	42,486	-
- Third parties	10,507	-
Other payables:		
- Immediate holding company	8,340	-
- Related companies	64,230	1,283
- Third parties	524	1,250
Accruals	307,943	14,443
GST payable	43,731	-
	477,761	16,976

9. LOANS FROM IMMEDIATE HOLDING COMPANY

	2022	2021
	S$	S$
Term loans	365,000	95,000

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% (2021: 5.68% to 6.35%) per annum.

10. SHARE CAPITAL

	No. of Shares		Amount	
	2022	2021	2022	2021
			S$	S$
Issued and fully paid:-				
Ordinary Shares				
Balance at beginning and end of year	100,000	100,000	100,000	100,000
Preference Shares				
Balance at beginning of year	-	-	-	-
Preference shares issued	90,000	-	90,000	-
Balance at end of year	90,000	-	90,000	-
Total	190,000	100,000	190,000	100,000

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.

11. REVENUE

	2022 S$	2021 S$
<u>Recognised at a point in time</u>		
Travel and related services	2,891,831	3,041

12. OTHER INCOME

	2022 S$	2021 S$
Brochures	2,800	-
Commission income	2,591	-
Government grants:		
- Jobs Growth Incentive	1,980	-
	7,371	-

13. FINANCE COSTS

	2022 S$	2021 S$
Interest on loans from immediate holding company	15,776	2,116

14. PROFIT/(LOSS) BEFORE TAX

This is derived at after charging the following:-

	2022 S$	2021 S$
<u>Staff costs</u>		
Salaries, bonuses and other short-term benefits	161,715	120,000
Employer's contribution to defined contribution plans including Central Provident Fund	5,519	-
	167,234	120,000
<u>Key management remuneration (Included in staff costs above)</u>		
Salaries, bonuses and other short-term benefits	120,000	120,000
Employer's contribution to defined contribution plans including Central Provident Fund	-	-
	120,000	120,000
Auditors' remuneration	10,000	3,500
Depreciation of plant and equipment	573	-
Intercompany recharge	31,709	-
Legal and professional fees	5,831	5,275
Loss on exchange	20,208	180
Rental of office - short term	10,788	10,788

15. INCOME TAX EXPENSE

	2022	2021
	S$	S$
Current taxation	-	-

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2022	2021
	S$	S$
Profit/(Loss) before tax	72,533	(144,447)
Income tax using Singapore tax rate of 17% (2021: 17%)	12,331	(24,556)
Expenses not deductible for tax purposes	565	-
Deferred tax assets not recognised	-	24,556
Utilisation of previously unrecognised deferred tax asset	(12,896)	-
	-	-

As at the end of financial year, the Company has tax losses carry forward amounting to approximately S$72,000 (2021: S$144,000). No deferred tax asset has been recognised for the amount of S$12,240 (2021: S$24,480) in respect of the tax losses due to the uncertainty of future profits streams. The realisation of the future income tax benefits from the above is available subject to the conditions imposed by law and agreement with the tax authority.

16. RELATED PARTY TRANSACTION

	2022	2021
	S$	S$
Immediate holding company		
Loan interest expense	15,776	-
Related Companies		
Sales of travel and related services	1,350,240	-
Purchases of travel and related services	82,536	-
Intercompany recharge	31,709	-
Commission expense	19,650	-
Key Management Personnel Compensation		
Director's remuneration	120,000	120,000

17. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of the risks.

The Company's foreign currency exposures arose mainly from the exchange rate movement of the Euro, Malaysian Ringgit and United States Dollar.

The Company does not use foreign exchange contracts to manage its foreign currency risk arising from cash flows from anticipated transactions denominated in foreign currencies as management considers it not significant.

17. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) FOREIGN CURRENCY RISK

The Company's currency exposure at the financial year end date is as follows:-

	Euro S$	Malaysian Ringgit S$	United States Dollar S$
As at 31st December 2022			
Financial Assets			
Trade and other receivables	72,994	-	120,726
Cash and cash equivalents	-	1,378	60,172
	72,994	1,378	180,898
Financial Liabilities			
Trade and other payables	-	44,229	71,425
Loans from immediate holding company	-	-	-
	-	44,229	71,425
Currency exposure	72,994	(42,851)	109,473

	Euro S$	Malaysian Ringgit S$	United States Dollar S$
As at 31st December 2021			
Financial Assets			
Trade and other receivables	-	-	2,683
Cash and cash equivalents	-	-	289
	-	-	2,972
Financial Liabilities			
Trade and other payables	-	-	685
Loans from immediate holding company	-	-	-
	-	-	685
Currency exposure	-	-	2,287

Sensitivity Analysis

A 3% (2021: 3%) strengthening of Singapore Dollar against the following currencies at the balance sheet would increase/(decrease) profit or loss before tax by the amounts shown below. There is no impact on other comprehensive income. This analysis assumes that all other variables, in particular interest rates, remain constant.

17. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) FOREIGN CURRENCY RISK (CONT'D)

At 31st December 2022

	Profit or loss before tax S$
Euro	(2,190)
Malaysian Ringgit	1,286
United States Dollar	(3,284)

At 31st December 2021

	Profit or loss before tax S$
United States Dollar	(69)

A 3% (2021: 3%) weakening of Singapore Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(b) INTEREST RATE RISK

The Company's exposure to interest rate risk relates to its interest-bearing financial liabilities. Interest rate risk is managed by the Company on an ongoing basis by keeping the Company's interest expense at a level where the exposure to the risk of an adverse interest rate movement is minimised.

With all other variables held constant, based on the Company's variable rate interest bearing borrowings at 31st December 2022, it is estimated that a half-a-percentage point increase/decrease in interest-rate would decrease/increase the Company's profit before tax by approximately S$1,825 (2021: S$475).

(c) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default. Credit risk is managed through the application of credit approvals, credit limits and monitored on an ongoing basis.

The Company has no significant concentration of credit risks other than those balances with related companies comprising 76% (2021: Nil) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

The average credit period granted to non-related party trade receivable customers is about 30 to 60 days (2021: 30 to 60 days). Other receivables are repayable on demand.

The Company placed its cash with financial institutions with high credit rating and do not expect any credit losses from non-performance by the counterparties.

The carrying amount of cash and cash equivalents, trade and other receivables and contract assets represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

17. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) LIQUIDITY RISK

The Company monitors its liquidity risk and maintains a level of cash & cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The analysis of maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows is as follows:-

At 31st December 2022

	Carrying Amount	Contracted undiscounted cash flows			
		Total	Within 1 Year	Between 2 and 5 Years	Over 5 Years
	S$	S$	S$	S$	S$
Trade and other payables	434,030	434,030	434,030	-	-
Loans from immediate holding company	365,000	438,356	26,121	412,235	-
	799,030	872,386	460,151	412,235	-

At 31st December 2021

	Carrying Amount	Contracted undiscounted cash flows			
		Total	Within 1 Year	Between 2 and 5 Years	Over 5 Years
	S$	S$	S$	S$	S$
Trade and other payables	16,976	16,976	16,976	-	-
Loans from immediate holding company	95,000	112,269	5,772	106,497	-
	111,976	129,245	22,748	106,497	-

(e) FAIR VALUES

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values.

18. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Comparisons by category of the carrying amounts of the Company's financial instruments that are carried in the financial statements are as follows:-

	2022	2021
	S$	S$
Financial assets		
Trade and other receivables	760,833	5,794
Cash and cash equivalents	247,803	33,477
Financial assets, at amortised cost	1,008,636	39,271
Financial liabilities		
Trade and other payables	434,030	16,976
Loans from immediate holding company	365,000	95,000
Financial liabilities, at amortised cost	799,030	111,976

19. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit standing and healthy capital ratios in order to support its business and maximize shareholder's value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, adjust the dividend payment to shareholder or return capital to shareholder.

The Company is in compliance with all externally imposed capital requirements for the financial years ended 31st December 2021 and 2022.

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF
THE AUDITED STATUTORY FINANCIAL STATEMENTS

ASIAN TRAILS SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 201940406M)

DETAILED PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022	2021
	S$	S$
REVENUE	2,891,831	3,041
LESS: COST OF SALES	(2,519,184)	(3,259)
GROSS PROFIT/(LOSS)	372,647	(218)
OTHER INCOME		
Brochures	2,800	-
Commission income	2,591	-
Government grants	1,980	-
	7,371	-
	380,018	(218)
LESS: SELLING AND DISTRIBUTION EXPENSES		
Accomodation	892	-
Commission on credit card	7	-
Commission on sales	21,850	-
Other marketing and advertising expenses	8,963	-
Trade show expenses	682	-
Travelling and entertainment	5,200	-
	37,594	-
ADMINISTRATIVE EXPENSES		
Audit fee	10,000	3,500
Bank charges	2,651	223
Central provident fund contributions	5,519	-
Depreciation of plant and equipment	573	-
Director's remuneration		
- Salaries and bonuses	120,000	120,000
General expenses	300	153
Insurance	601	-
Intercompany recharge	31,709	-
Internet	50	-
Legal and professional fees	5,831	5,275
License fee	-	400
Loss on exchange	20,208	180
Membership fees	119	-
Network	600	600
Office expenses	80	(51)
Other miscellaneous staff cost	82	-
Postage and courier	44	84
Printing and stationery	273	-
Rental of office - short term	10,788	10,788
Salaries and bonuses	41,715	-
Software maintenance	1,671	-
Skills development levy	(57)	135
Staff training costs	40	-
Staff visa and permit	225	105
Telecommunication expenses	1,093	721
	254,115	142,113
FINANCE COSTS		
Interest expense	15,776	2,116
TOTAL OPERATING EXPENSES	307,485	144,229
NET PROFIT/(LOSS) FOR THE YEAR	72,533	(144,447)

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

CHANG SOM COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2022

ANS Audit Co., Ltd.
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AUDITOR'S REPORT

To the Shareholders and Directors of Chang Som Company Limited

Opinion

I have audited the financial statements of Chang Som Company Limited, which comprise the statement of financial position as at December 31, 2022, and the statement of income, and statement of changes in shareholders' 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 Chang Som Company Limited as at December 31, 2022, 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

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 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.

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 the 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.

Potchara

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.

Potcharo

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.

Patcharee Siriwongsin
Certified Public Accountant
Registration Number 9037

ANS Audit Co., Ltd.
Bangkok: April 27, 2023

CHANG SOM COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Notes	2022	2021
		Unit : Baht	
ASSETS			
Current assets			
Cash and cash equivalents		250,810.13	157,549.00
Trade and other receivables	5, 6	4,803,885.89	11,572,902.39
Total current assets		5,054,696.02	11,730,451.39
Non-current assets			
Long-term loan to related party	5	7,720,833.31	-
Equipments-net	7	6.00	6.00
Withholding tax		152,911.69	161,504.77
Other non-current assets		1,853.56	373.56
Total non-current assets		7,875,604.56	161,884.33
Total assets		12,930,300.58	11,892,335.72

Potchara

Director

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

The accompanying notes are an integral part of the financial statements.

CHANG SOM COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Notes	2022	2021
		Unit : Baht	
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current Liabilities			
Trade and other payables	5, 8	4,681,245.89	3,656,409.85
Total current liabilities		4,681,245.89	3,656,409.85
Non-current Liabilities			
Employee benefit obligations	9	288,271.32	278,635.26
Total non-current liabilities		288,271.32	278,635.26
Total Liabilities		4,969,517.21	3,935,045.11
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	10	506,098.28	506,098.28
Unappropriated		1,454,685.09	1,451,192.33
Total Shareholders' Equity		7,960,783.37	7,957,290.61
Total Liabilities and Shareholders' Equity		12,930,300.58	11,892,335.72

Potchara

Director

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

The accompanying notes are an integral part of the financial statements.

CHANG SOM COMPANY LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	2022	2021
		Unit : Baht	
Revenue from rendering of services	5	8,295,784.11	866,157.33
Cost of rendering of services		(7,466,226.70)	(779,340.90)
Gross profit		829,557.41	86,816.43
Other income	5	49,140.56	16.60
Profit before expenses		878,697.97	86,833.03
Administrative expenses	5	(875,205.21)	(664,433.04)
Profit (loss) before income tax		3,492.76	(577,600.01)
Income tax		-	-
Net profit (loss)		3,492.76	(577,600.01)

Potchara

Director

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, 2022

Unit : Baht

	Notes	Paid-up share capital	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at December 31, 2020		6,000,000.00	506,098.28	2,028,792.34	8,534,890.62
Net loss for the year 2021		-	-	(577,600.01)	(577,600.01)
Balance as at December 31, 2021		6,000,000.00	506,098.28	1,451,192.33	7,957,290.61
Net profit for the year 2022		-	-	3,492.76	3,492.76
Balance as at December 31, 2022		6,000,000.00	506,098.28	1,454,685.09	7,960,783.37

P. tchera

_______________ Director

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

CHANG SOM COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

Chang Som Company Limited ("the Company") is incorporated under the law of Thailand on August 23, 2002. The Company engages in rendering of transportation services which exemption from value added tax 81(1). The registered office address of the company is located at 9th floor SG Tower, 161/1 Rajdamri Road, Lumpini, Bangkok 10330, Thailand.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities ("TFRS for NPAEs") which are issued and promulgated by the Federation of Accounting Professions ("FAP") during 2011.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The preparation of the financial statements in conformity with TFRS for NPAEs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

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บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

_______________ Director

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.

Key revisions of these Financial Reporting Standards are as follows:

1) To be more completed by increasing the accounting treatments for transactions such as agriculture, derivatives, business combinations, government grants, exploration for and evaluation of mineral resources and service concession arrangements, etc.

2) To maintain practical simplicity, i.e. the Financial Reporting Standards maintain existing accounting practices, including collecting relevant Federation of Accounting Professions announcements that are currently effective, such as the preparation of interim financial statements, revaluation of property, plant and equipment, fair value measurement of investment properties, etc.

3) To provide additional options for accounting practices, such as comprehensive income statement preparation, consolidated financial statements preparation and choices to determine the functional currency other than Baht as functional currency, etc.

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.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits.

Trade and other accounts receivable

Trade and other accounts receivable are stated at their 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.

Equipments

Equipments are stated at cost less accumulated depreciation.

Depreciation of equipment is calculated by reference to their costs on straight-line method over the estimated useful lives of 5 years.

Patchira

Director

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

Loss on decline in value of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of permanent decline in value. If any such indication exists, the assets' recoverable amount is estimated. The loss on decline in value of assets is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The loss decline in value of assets is recognized in the statement of income. If any such indication does not exist, the Company reverses such loss.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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 the best estimate method.

Employee benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Liability for retirement of employee and other long-term employee benefits is recognized based on the best estimation at the date of reporting.

Revenue

Service income is recognized as services provided.

Interest and other income are recognized in the statement of income as it accrues.

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.

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 reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in statement of income.

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

Director

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

5. 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 years ended December 31, 2022 and 2021 and outstanding balance with its related company as summarized below:

	Unit: Baht	
	2022	2021
Statements of financial position		
Asian Trails Ltd.		
Trade receivable	1,137,669.54	10,908,983.00
Accrued income	3,523,949.96	650,376.33
Long-term loans	7,720,833.31	-
Other payable	(2,346,072.24)	(2,344,913.00)
Advance income	(98,100.00)	-
Statements of income		
Asian Trails Ltd.		
Revenue from rendering of services		
(Cost of service plus certain margin)	8,295,784.11	866,157.33
Interest income	49,050.00	-
Rental expenses	78,750.00	45,000.00

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บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

Director

Long-term loan to related party

The movements of long-term loan to related party were as follows:

	Unit: Baht	
	2022	2021
Balance as at January 1,	-	-
Addition	10,900,000.00	-
Repayment	(3,179,166.69)	-
Balance as at December 31,	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.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2022 and 2021 consisted of:

	Unit: Baht	
	2022	2021
Trade receivable		
Trade receivable–related party	1,137,669.54	10,908,983.00
Accrued income–related party	3,523,949.96	650,376.33
Total trade receivable	4,661,619.50	11,559,359.33
Other receivables		
Others	142,266.39	13,543.06
Total other receivables	142,266.39	13,543.06
Total trade and other receivables	4,803,885.89	11,572,902.39

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บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

Director

7. EQUIPMENTS-NET

Equipments as at December 31, 2022 and 2021 consisted of:-

	Unit : Baht
	Office Equipment
Cost	
At January 1, 2021	27,772.06
Increase	-
At December 31, 2021	27,772.06
Increase	-
At December 31, 2022	27,772.06
Accumulated Depreciation	
At January 1, 2021	(27,766.06)
Depreciation for the year	-
At December 31, 2021	(27,766.06)
Depreciation for the year	-
At December 31, 2022	(27,766.06)
Net book value	
As at December 31, 2021	6.00
As at December 31, 2022	6.00

As at December 31, 2022 and 2021, equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 0.03 million, both of years.

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บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

Director

8. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2022 and 2021 consisted of:

	Unit: Baht	
	2022	2021
Trade payables	2,017,288.13	1,202,638.63
Other payables		
Other payable-related party	2,346,072.24	2,344,913.00
Advance income	98,100.00	-
Accrued expenses	207,233.03	107,983.03
Accrued withholding tax	12,552.49	875.19
Total other payables	2,663,957.76	2,453,771.22
Total trade and other payables	4,681,245.89	3,656,409.85

9. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefits obligation as at December 31, 2022 and 2021, were comprised of:

	Unit: Baht	
	2022	2021
Employee benefits obligation as at January 1	278,635.26	278,635.26
Increase during the years	9,636.06	-
Total	288,271.32	278,635.26

10. 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.

11. COMMITMENT

As at December 31, 2022 and 2021, the Company has office rental agreement for its office space with a related company. The Company is committed to pay rental amount of Baht 7,500 per month.

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the authorized directors of the Company on April 27, 2023.

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

Director

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
TOGETHER WITH THE INDEPENDENT
AUDITOR’S REPORT

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

FOR THE YEAR ENDED DECEMBER 31, 2022

AUDITOR'S REPORT

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF FINANCIAL POSITION

In Jordanian dinar		As of December 31,	
	Note	**2022**	**2021**
Assets			
Current assets			
Cash and cash equivalents	4	179,975	297,964
Trade receivables and other receivables balances	5	307,690	127,291
Due from related parties	9-1	8,109	842
Total Current assets		**495,774**	**426,097**
Non-Current asset			
Property and equipment	6	21,094	31,181
Total Non-Current asset		**21,094**	**31,181**
Total assets		**516,868**	**457,278**
Liabilities and Owners' Equity			
Current Liabilities			
Trade payables and other credit balances	7	317,613	343,897
Due to related parties	9-2	13,536	12,325
Income tax provision	8	76,590	72,592
Lease liability	13	10,271	9,804
Total Current liabilities		**418,010**	**438,618**
Non-Current Liabilities			
Lease liability	13	**5,276**	**15,547**
Total Non-current liabilities		**5,276**	**15,547**
Total Liabilities		**423,286**	**454,165**
Owners' Equity			
Paid up capital		100,000	100,000
Statutory reserve	10	25,000	25,000
Retained earnings		(31,418)	(121,887)
Net Owners' Equity		**93,582**	**3,113**
Total Owners' Equity and Liabilities		**516,868**	**457,278**

The notes on pages (7) to (33) are an integral part of these financial statements and should be read with them and with the independent auditor's report.

The financial statements on pages (3) to (6) were approved by the General Assembly on_______________.

Chairman of Board of Directors **Financial Manager** **General Manager**

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Jordanian dinar		For the year ended December 31,	
	Note	2022	2021
Revenue	11	812,698	303,235
Cost of revenue	11	(528,811)	(279,405)
Gross profit		**283,887**	**23,830**
Administrative expenses	12	(192,548)	(166,405)
Marketing and advertisement expenses		(2,500)	-
Expected credit loss expense on advances	5	-	(231,144)
Profit/(Loss) from operations		**88,839**	**(373,719)**
Finance Income		1,043	-
Finance cost		(801)	(1,221)
Other income	12.1	1,388	60,168
Loss before income tax		**90,469**	**(314,772)**
Income tax			
Current tax expense	8	(18,998)	-
Deferred tax (expense) / income	8	18,998	(48,384)
Loss for the year		**90,469**	**(363,156)**
Other comprehensive income		-	-
Total comprehensive (loss) profit for the year		**90,469**	**(363,156)**

The notes on pages (7) to (33) are an integral part of these financial statements and should be read with them and with the independent auditor's report.

The financial statements on pages (3) to (6) were approved by General Assembly on______________.

Chairman of Board of Directors **Financial Manager** **General Manager**

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF CHANGES IN OWNERS' EQUITY

In Jordanian dinar	**Paid up Capital**	**Retained Earnings**	**Statutory Reserve**	**Total**
Changes for the year ended December 31, 2022				
Balance at January 1, 2022	100,000	(121,887)	25,000	3,113
Total comprehensive loss for the year	-	90,469	-	90,469
Balance as of December 31, 2022	100,000	(31,418)	25,000	93,582
Changes for the year ended December 31, 2021				
Balance at January 1, 2021	100,000	241,269	25,000	366,269
Total comprehensive loss for the year	-	(363,156)	-	(363,156)
Balance as of December 31, 2021	**100,000**	**(121,887)**	**25,000**	**3,113**

The notes on pages (7) to (33) are an integral part of these financial statements and should be read with them and with the independent auditor's report.

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF CASH FLOWS

In Jordanian dinar		For the year ended December 31,	
	Note	**2022**	**2021**
Cash flows from operating activities			
Loss for the year after income tax		90,469	(363,156)
Adjustments for:			
Current tax expense	8	18,998	48,384
Interest expense on lease liability	13	801	146
Reversal of provisions		-	(60,168)
Depreciation expense	6	11,780	13,554
Expected credit loss expense	5	-	231,144
		122,047	**(130,096)**
Changes in:			
Trade receivables and other debit balances		(180,399)	10,188
Trade payables and other credit balances		(26,285)	(77,216)
Due from related parties		(7,266)	482,035
Due to related parties		1,212	7,393
Net cash from operating activities before income tax paid		(90,691)	292,304
Tax paid	8	(15,000)	-
Net cash from operating activities		**(105,691)**	**292,361**
Cash flows from investing activities			
Acquisition of property and equipment	6	(1,693)	-
Funds provided to a related party - net		-	-
Net cash used in investing activities		**(1,693)**	**-**
Cash flows from financing activity			
Payment of lease liability	13	(10,605)	(9,000)
Cash used in financing activity		**(10,605)**	**(9,000)**
Net increase / (decrease) in cash and cash equivalents		(117,989)	283,304
Cash and cash equivalents at the beginning of the year		297,964	14,660
Cash and cash equivalents at the year end	4	**179,975**	**297,964**

The notes on pages (7) to (33) are an integral part of these financial statements and should be read with them and with the independent auditor's report.

1. GENERAL

Desert Adventures Tourism PSC was incorporated on 16 September 2010 as a Private Shareholding Company in the Hashemite Kingdom of Jordan, under number (767), with a paid up capital of JD 100,000, divided into 100,000 shares, distributed as the below schedule. The Company's parent Company is Desert Adventures Tourism LLC (Dubai) and 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 shareholding in the Company was as follows:

Shareholder	Share
Desert Adventures Tourism LLC (Dubai)	50%
Loai Khalid Ahmed Najdawi	50%

The principal business activity of the Company is organizing leisure and individual business tours. The Company secures access to hotel accommodation and other activities and services from hotels and other service providers at competitive rates which are offered at preferential rates to tour operators, travel agents and other wholesalers.

The registered address of the Company is Amman – Mecca Street, Jordan.

Loai Khalid Ahmed Najdawi is holding these shares for the beneficial interest of the Parent Company. The financial statements were authorised and approved by the General Assembly on____________

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for finacial assets and financial liabilities measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in Jordanian Dinar, which is also the Company's functional currency.

(d) Use of estimates and judgments

In preparing the financial statements, management has made judgements and estimates that affect the application of the Company's 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 prospectively.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgments (continued)

Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Revenue recognition: whether revenue is recognised over time or at a point in time. Revenue from hotel accommodation (both separate and sold as part of tour package) is recognized when the control is transferred to the customer. The customer gets the control when all the tour related vouchers and travel tickets are issued to them. As per the general practice, the Company issues all the vouchers and travel tickets to the Customer at time of travel of the tour. Hence, the Company fully transfers control of the promised services to the customer once all the vouchers and tickets are issued to the customer at time of travel.
- Classification of financial assets: Valuation of the business model under which the asset is to be held and determining whether the contractual terms of the SPPI are on the outstanding balance.
- The development of new criteria to determine whether financial assets have declined significantly since initial recognition and determine the methodology of future expectations and methods of measuring expected credit loss.

Estimates

Information about assumptions and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Revenue recognition: estimate of expected returns.
- Impairment of financial instruments: input and measurement of expected credit loss and future expectations. 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).

  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.
- Measurement of defined benefit obligations: key actuarial assumptions.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.
- Impairment test of intangible assets and property, plant and equipment : key assumptions underlying recoverable amounts.
- Going concern: whether there are material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern (Note 2-e).

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgments (continued)

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.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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

Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market 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 fall into 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.

Estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of uncertain estimations and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are summarized as follows:

- Measurement of expected credit loss allowance for receivables and contract assets, including the assumptions in determining weighted average loss rate.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgments (continued)

Measurement of fair values (continued)

- Management recognizes income tax expense for the year based on management's estimate for taxable profit in accordance with the prevailing laws, regulations and IFRSs.
- Management periodically reassesses the economic useful life of property, plant and equipment, intangible assets, refundable cases and glass bottles based on the general condition of these assets and the expectation of their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the Company based on a legal study prepared by the Company's legal advisors. This study highlights potential risks that the Company may incur in the future.
- Management estimates the provision to decrease inventory to net realizable value if the cost of inventory may not be recoverable, damaged, wholly or partially obsolete, and it selling price to fall below cost or any other factors that causes the recoverable amount to be lower than its carrying amount.

Management believes that its estimates and judgments are reasonable and adequate.

(e) Going concern basis of accounting

The outbreak of the COVID-19 pandemic and the measures adopted by government in countries worldwide to mitigate the pandemic's spread have significantly impacted the Company. These measures required the Company to hold the travel booking in various locations several months during the year. This has negatively impacted the Company's financial performance for the year and also its liquidity positions. During the year, total revenue has decreased by JOD 1,234,993, which amounted to JOD XX as of December 31, 2022 (JOD 303,235 as of December 31, 2021). The Company incurred a net loss of JOD 363,156 during the year ended 31 December 2022.

There is still significant uncertainty over how the outbreak will impact the Company's business in future periods. Management has closely monitored the situation and has activated it's business continuity plan and other risk management practices to manage any potential disruptions that the Corona Virus (COVID - 19) outbreak may cause to the Company's business, operations and financial performance. In addition to the above, the ultimate company Thomas Cook India Limited (TCIL) is committed to continue supporting the principal activities of DAT Jordan and provide the financial support for the company.

As a result, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. These consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these financial statements for the year ended December 31, 2022 are the same as those applied by the Company in its financial statements for the year ended December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Revenue recognition

The Company generates revenue primarily from 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.

Contract balances results from contracts with customers include receivables, contract assets and contract liabilities.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognized over time.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control - at a point in time or over time - over a good or service to a customer in accordance with IFRS 15 as follows:

1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations.

2 Identify the performance obligations in the contract.

3 Determine the transaction price: The transaction price is the amount of 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.

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

5 Recognize revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. **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.

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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

Financial assets – Business model assessment
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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 – Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

- **Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)**

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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. SIGNIFICANT 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.

c. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs

d. Property, Plant and equipment

- Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.
- Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment.
- When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separated items of property, plant and equipment.
- Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within the statement of profit or loss and other comprehensive income.

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.
- Ongoing costs of repair and maintenance of property, plant and equipment are expensed in the statement of profit or loss and other comprehensive income as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Property, Plant and equipment (continued)

Depreciation
Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Property and equipment	Depreciation rate%
Office Decoration and Accessories	33
Office Equipment	35
Furniture and Fixture	15

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e. Intangible Assets

Intangible assets that are acquired through other than acquisition are recognized at cost less accumulated amortization.

Intangible assets, which have finite useful lives, are amortized over their useful lives. Amortization is recognized in the statement of profit or loss and other comprehensive income; however, intangible assets without definite useful lives should not be amortized and are required to be tested for impairment as of the date the financial statement. Impairment loss shall be recognized in the statement of profit or loss and other comprehensive income.

Intangible assets arising from Company operation are not capitalized and should be recognized in the statement of profit or loss and other comprehensive income when incurred.

Intangible assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired as well as the useful lives of the intangible asset are annually reassessed and any adjustments raised are recognized in the subsequent years.

f. Impairment

Non-derivative financial assets
Financial instruments

The Company recognizes loss allowances for ECLs on:
- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

Loss allowances for trade receivables (including lease receivables) and contract assets 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Impairment (continued)

Non-derivative financial assets – (continued)

Financial instruments (continued)

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
- The disappearance of an active market for a security because of financial difficulties.

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.
For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Impairment (continued)

Non-derivative financial assets – (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 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. **Impairment (continued)**

Non-derivative financial assets – (continued)

Non-financial assets (continued)

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 in respect of goodwill is not reversed. For other assets, an 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.

g. 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.

h. **Income Tax and National Contribution**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in statement of income except to the extent that it relates to a business combination, or items recognized directly in equity or in other statement of profit or loss and 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 assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current tax payable is in accordance with prevailing income tax law in Jordan.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. 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.

j. 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.

k. 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 uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Leases (continued)
As a lessee (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.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- 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 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, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'Lease Laiblity' in the statement of financial position.

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.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.
When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Leases (continued)

As a lessor (continued)

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'. Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements:

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.
- Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37);
- Annual improvements to IFRS Standards 2018-2020
- Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16);
- Reference to conceptual framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1); and
- IFRS 17 *Insurance Contracts* and amendments to IFRS 17 *Insurance Contracts*.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred tax related to assets and liabilities arising from a Single Transaction (Amendments to IAS 12).
- Sale of grant between an Investor and an affiliate company or a joint venture (Amendments to IFRS 10 and IAS 28)

4. CASH AND CASH EQUIVALENTS

In Jordanian dinar	As of December 31,	
	2022	**2021**
Cash at hand	9,025	2,027
Cash at bank	170,950	295,937
	179,975	**297,964**

5. TRADE RECEIVABLES AND OTHER DEBIT BALANCES

	As of December 31,	
	2022	**2021**
Trade receivables	95,910	1,182
Provision for expected credit loss *	(758)	(758)
	95,151	**424**
Advances to suppliers	395,731	325,217
Provision for expected credit loss *	(231,144)	(231,144)
Advances to suppliers	**164,587**	**94,497**
Prepaid expenses and other debit balances	22,951	7,794
Cash margins	25,000	25,000
	307,689	**127,291**

*The following table illustrates the movement on the provision for expected credit loss:

Jordanian Dinar	As of December 31,	
	2022	**2021**
Balance at the beginning of the year	231,902	758
Charge for expected credit loss	-	231,144
Write-off	-	-
Balance at the end of the year	**231,902**	**231,902**

6. PROPERTY AND EQUIPMENT

In Jordanian dinar	Office Premises*	Office Equipment	Furniture and Fixture	Total
Cost				
Balance at January 1, 2021	27,032	12,119	13,680	52,831
Additions	29,025	-	-	29,025
Disposal	(27,032)	- -	-	(27,032)
Balance at December 31, 2021	**29,025**	**12,119**	**13,680**	**54,824**
Balance at January 1, 2022	29,025	12,119	13,680	54,824
Additions	-	1,705	-	1,705
Disposal				
Balance at December 31, 2022	**29,025**	**13,824**	**13,680**	**56,529**
Accumulated Depreciation				
Balance at January 1, 2021	17,736	7,243	12,142	37,121
Depreciation for the year	10,092	3,188	274	13,554
Disposal	(27,032)	-	-	(27,032)
Balance at December 31, 2021	**796**	**10,431**	**12,416**	**23,643**
Balance at January 1, 2022	796	10,431	12,416	23,643
Depreciation for the year	9675	1,831	274	11,780
Disposal	11	-	-	11
Balance at December 31, 2022	**10,482**	**12,262**	**12,690**	**35,434**
Net book value as at December 31, 2022	18,543	1,562	990	21,095
Net book value as at December 31, 2021	28,229	1,688	1,264	31,181

* Other premises represents right of use assets which is derived from lease contracts for a period of 3 years. The present value is determined using incremental borrowing rate of 3.6%.

7. TRADE PAYABLES AND OTHER CREDIT BALANCES

In Jordanian dinar	As of December 31, 2022	As of December 31, 2021
Hotels and excursion payables	159,158	27,101
Trade payables	25,385	141,802
Advances from customers	104,349	139,047
Accrued expenses	28,721	35,948
	317,613	**343,898**

8. INCOME TAX

In Jordanian dinar	As of December 31, 2022	2021
Reconciliation of effective tax rate		
Loss before tax	90,469	(314,772)
Tax effect of:		
Depreciation of right of use asset	9,675	10,092
Non-deductible expenses	-	40,795
Non-deductible income	(1,388)	(60,168)
Contractual rent	(9,000)	(9,000)
	89,756	(333,053)
Tax expense for the year		
Current year	18,998	-
Change in estimate relating to prior years*	-	48,384
Total income tax expense	**18,998**	**48,384**

The current taxes are calculated at an income tax rate of 20% in addition to the national contribution at 1% in accordance with the income tax law prevailing in the Hashemite Kingdom of Jordan in starting January 1, 2019.

The movement on income tax provision during the year was as follows:

In Jordanian dinar	As of December 31, 2022	2021
Balance at the beginning of the year	72,592	24,208
Provision for the year*	18,998	48,384
Tax paid during the year	(15,000)	-
Balance at the end of the year	**76,590**	**72,592**

* This adjustment in tax expense pertains to non-deductible expenses of 2018 that was disallowed by the income tax department and accordingly management had recorded a provision for JOD 24,208 in last year. Similarly, in 2021, management has booked tax provision related to non-deductible expenses pertaining to 2019 following the same basis.

Tax status of the Company is as follow:

(i) The Company filed its income tax returns on timely basis for the years 2016, 2017, 2019, 2020, 2021 and 2022 and 2016, 2017 & 2018 has been assessed by the income tax department until the date of these financial statements. Further, management has not recorded deferred tax asset related to the carry forward of unutilized tax losses.

9. RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent parent and affiliate companies, directors and key management personnel of the Company.

The Company, in the ordinary course of business, enters into transactions with other business enterprises that fall within the definition of a related party contained in International Accounting Standard No. 24. Such transactions are made on terms and conditions agreed between the related parties

9-1) DUE FROM RELATED PARTIES

In Jordanian dinar	Nature of relationship	As of December 31, 2022	2021
Desert Adventures Tourism L.L.C	Parent Company	-	-
Muscat Desert Adventures Tourism LLC	Related through Common Ownership	8,109	842
		8,109	**842**

9-2) DUE TO RELATED PARTES

In Jordanian dinar	Nature of relationship	As of December 31, 2022	2021
Desert Adventures Tourism L.L.C	Parent Company	13,536	12,325
Muscat Desert Adventures Tourism LLC	Related through Common Ownership	-	-
		13,536	**12,325**

9-3) TRANSACTIONS WITH RELATED PARTIES

Transaction terms and pricing policies are approved by management. Transactions included in the statement of profit or loss and other comprehensive income are as the below:

For the year ended 31 December 2022

Jordanian Dinar	Relationship	Expenses
Muscat Desert Adventures Tourism LLC	Related through common ownership	-
Desert Adventures Tourism L.L.C.	Parent Company **	-

For the year ended 31 December 2021

Jordanian Dinar	Relationship	Expenses
Muscat Desert Adventures Tourism LLC	Related through common ownership	17,757
Desert Adventures Tourism LLC	Parent Company **	23,040

**Management fee represents the amount charged for the central functions which is allocated based on financial and non-financial basis.

9. RELATED PARTIES BALANCES AND TRANSACTIONS (continued)

9-3) TRANSACTIONS WITH RELATED PARTIES (continued)

Key Management Salaries & Benefits

Transactions with related parties included in the statement of profit or loss and other comprehensive income are as follows:

In US Dollar	**2022**	**2021**
Salaries	72,696	28,200
Allowances	8,189	1,998

10. STATUTORY RESERVE

The accumulated amount in this account represents 10% of annual net profit before income tax, which has been deducted during the previous years, in accordance to the article number (85) of the Jordanian companies law number (22), 1997 which state that: "the private share holding companies should reserve 10% of its annual net income to the statutory account, and it shall maintain reserving every year at any percentage not exceeding 25% of its capital". The Company has incurred loss in current year and the reserve has reached its limit hence no further transfer to reserve has been made in current year.

11. REVENUE AND COST OF REVENUE

	For the year ended December 31, 2022		
In Jordanian dinar	**Revenue**	**Cost of revenue**	**Gross profit**
Tourism Group Revenue (Hotels)	784,511	510,065	274,446
Excursions, transfers, and other revenue	28,187	18,746	9,441
	812,698	**528,811**	**283,887**

	For the year ended December 31, 2021		
In Jordanian dinar	**Revenue**	**Cost of revenue**	**Gross profit**
Tourism Group Revenue (Hotels)	176,452	(167,780)	8,672
Excursions, transfers, and other revenue	126,783	(111,625)	15,158
	303,235	**(279,405)**	**23,830**

12. ADMINISTRATIVE EXPENSES

	For the year ended December 31,	
In Jordanian dinar	**2022**	2021
Management fee	-	40,797
Staff salaries and related benefits	121,964	56,089
Social security	15,227	13,773
Office expenses	7,513	7,912
Depreciation (refer note 6)	11,780	13,554
Legal and professional fees	22,238	21,526
Others	13,826	12,754
	192,548	**166,405**

12.1 OTHER INCOME

In Jordanian dinar	For the year ended December 31, 2022	2021
Reversal of provisions	1,388	60,168

This pertains to the reversal of accruals on account of discount offered by suppliers during COVID.

13. LEASES

The Company has leased office area. The lease period is for 36 months.

i. Right-of-use-assets

Right of use assets related to leased properties are presented as property and equipment (see note 6).

In Jordanian Dinar	Office premises	Total
2022		
Balance as at 1 January	28,229	28,229
Addition during the year	-	-
Disposal	(11)	(11)
Depreciation charge for the year	(9675)	(9675)
Balance as at 31 December	**18,543**	**18,543**

In Jordanian Dinar	Office premises	Total
2021		
Balance as at 1 January	9,296	9,296
Addition during the year	29,025	29,025
Depreciation charge for the year	(10,092)	(10,092)
Balance as at 31 December	**28,229**	**28,229**

ii. Lease liability

In Jordanian Dinar	Office premises	Total
2022		
Balance as at 1 January	25,351	25,351
Addition during the year	-	-
Interest on lease liability	801	801
Payments during the year	(10,605)	(10,605)
Balance as at 31 December	**15,546**	**15,546**

In Jordanian Dinar	Office premises	Total
2021		
Balance as at 1 January	5,180	5,180
Addition during the year	29,025	29,025
Interest on lease liability	146	146
Payments during the year	(9,000)	(9,000)
Balance as at 31 December	**25,351**	**25,351**

iii. Amounts recognised in statement of profit or loss

In Jordanian Dinar	2022	2021
2020 - Leases under IFRS 16		
Interest on lease liability	801	146

Depreciation charged right of use	9,675	10,092

13. LEASES (continued)

iv. Lease liability

In Jordanian Dinar	**2022**	**2021**
Lease liability	15,546	25,351
Less: current portion	(5,276)	(9,804)
Non-current lease liability	**10,271**	**15,547**

14. BANK GUARANTEES

As of the date of the financial statements, the Company has the below Guarantees:

	As of December 31,	
Jordanian Dinar	**2022**	**2021**
Guarantees *	25,000	25,000
	25,000	**25,000**

* These Guarantees are issued for the favor of the Ministry of Tourism with an amount of JD 25,000 *(2021: JD 25,000)*.

15. FINANCIAL RISK MANAGEMENT

Overview

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.

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 amount due from a related party. 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.

15. FINANCIAL RISK MANAGEMENT (continued)

Credit Risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In Jordanian dinar	As of December 31,	
	2022	**2021**
Trade and other receivables *	140,407	33,218
Due from related parties	8,109	842
Cash at bank	170,949	295,938
	319,465	**329,998**

* Prepayments and advances are excluded.

At 31 December 2022, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

In Jordanian dinar	As of December 31,	
	2022	**2021**
Geographical regions		
USA	60,094	-
Middle East	7,892	142
Europe	26,500	251
CIS	1,029	-
Others	395	789
Grand total	**95,910**	**1,182**

The ageing of trade receivables at the reporting date was:

Impairment losses

Expected credit losses assessment for individual customers as at 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 2022.

	Gross carrying Amount	**Loss allowance JOD**	**Credit impaired**
0-59 days	87,069	-	-
60-89 days	7,444	-	-

90- 120 days	1397	758	-
Total	**95,910**	**758**	**-**

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (continued)

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 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 ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the company maintains line of credit from its bank for sudden cash requirements.

The following are the contracted maturities of financial liabilities, including estimated interest payments:

Non-derivative financial liabilities:

In Jordanian dinar	**Carrying value**	**Contractual Cash flows**	**12 Month or Less**	**More than one year**
As of December 31, 2022				
Trade payables and other credit balances (excluding advances)	213,264	(213,264)	(213,264)	-
Due to related parties	13,536	(13,536)	(13,536)	-
Lease liability	15,546	(15,546)	(10,271)	(5,275)
	242,346	**(242,346)**	**(237,071)**	(5,275)

In Jordanian dinar	**Carrying value**	**Contractual Cash flows**	**6 Month or Less**	**More than one year**
As of December 31, 2021				
Trade payables and other credit balances (excluding advances)	204,851	(204,851)	(204,851)	-

Due to related parties	12,325	(12,325)	(12,325)	-
Lease liability	25,351	(26,670)	(10,605)	(16,065)
	242,527	**(243,846)**	**(227,781)**	**(16,065)**

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the company's profit 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

Most of the company's financial assets and liabilities are in Jordanian Dinar. Most of the company's transactions in general are in Jordanian Dinar and US Dollar. Due to the fact that the Jordanian Dinar is pegged with US Dollar, the Company's management believes that the foreign currency risk is not material on the financial statements.

Interest rate risk

The Company does not have any financial assets or liabilities that bear interest as of year-end.

Capital management

The company's policy concerning capital management is to maintain a strong capital base to maintain partners, creditors and market confidence and to sustain future development of the business.

The management monitors the return on capital, which the management defined as net operation income divided by total partners' equity.

There have been no changes in the Company's approach to capital management during the year neither the Company is subject to externally imposed capital requirements.

Debt to Capital Ratio	**As of December 31,**	
Jordanian Dinar	**2022**	**2021**
Total debt	418,010	438,618
(Less) Cash at bank	(170,949)	(295,938)
Net debt	**247,061**	**142,680**
Net owners' equity	93,581	3,113
Adjusted capital	93,581	3,113
Debt-to–adjusted Capital Ratio	**37.87%**	**4583.36%**

16. FAIR VALUES

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts.

Fair value hierarchy
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for financial assets.

Level 2: 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). This category includes instrument evaluated based on:
Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets,

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

- **Financial Instruments measured at fair value:**
  The Company does not measure financial instruments at fair value except for financial assets at fair value through other comprehensive income.
- **Financial Instruments not measured at fair value:**
  This instrument measured at amortized cost and its fair value doesn't materially differ of it's amortized cost.

In Jordanian dinar		Fair Value		
	Book value Fair value	**Level (1)**	**Level (2)**	**Level (3)**
December 31, 2022				
Trade receivables and other receivables	307,689	-	307,689	-
Cash and cash equivalents	179,975	179,975	-	-
Trade payables and other payables	(317,613)	-	(317,613)	-
Lease liability	(15,546)	-	(15,546)	-
Income tax provision	(76,590)	-	(76,590)	-
Due to related parties	(13,536)	-	(13,536)	-
December 31, 2021				
Trade receivables and other receivables	127,291	-	127,291	-
Cash and cash equivalents	297,964	297,964	-	-
Trade payables and other payables	(343,898)	-	(343,898)	-
Lease liability	(25,351)	-	(25,351)	-
Income tax provision	(72,592)	-	(72,592)	-
Due to related parties	(12,325)	-	(12,325)	-

Desert Adventures Tourism LLC

Separate financial statements

31 December 2022

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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 2022.

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 activity of the Company is to provide Hotel Booking, Leisure, FIT, Last Minute, Visa Processing and Transfer. The Company started its operations in September 1997.

The registered office of the Desert Adventures Tourism LLC is P.O. Box No. 25488, Dubai, United Arab Emirates.

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. Mohammad Ameen H.M. Mubasheri Almarzooqi 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**
Mohammad Ameen H.M Mubasheri Almarzooqi	51%
Travel Circle International (Mauritius) Limited ("the holding company")	49%

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2022 and 31st December 2021 are stated below:

Financial highlights	**2022 AED**	2021 AED
Net Profit	**931,763**	1,847,625
Total equity	**(42,041,451)**	(42,973,214)

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 2023 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 2023.

On behalf of the Board

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

Date: 07 August 2023

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The Offices 5 at One Central
Level 4, Office No: 04.01
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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 2022, 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 significant 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 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS 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 2022 in accordance with IFRS Standards on which we issued an auditors' report to the shareholders of the Group, dated 07 August 2023.

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 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

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 07 AUG 2023

Desert Adventures Tourism LLC

Separate statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Notes	**2022** **AED**	2021 AED
Revenue	*4*	**338,143,044**	227,728,999
Cost of sales	*5*	**(313,483,307)**	(210,744,814)
Gross profit		**24,659,737**	16,984,185
Administrative and general expenses	*6*	**(23,507,053)**	(16,052,269)
Impairment loss on trade receivables	*12.1*	**(250,000)**	(100,000)
Other income	*8*	**1,401,118**	2,117,502
Results from operating activities		**2,303,802**	2,949,418
Finance income	*7*	**868,550**	636,002
Finance cost	*7*	**(2,240,589)**	(1,737,795)
Profit for the year		**931,763**	1,847,625
Other comprehensive income		**-**	-
Total comprehensive income for the year		**931,763**	1,847,625

The notes on pages 9 to 34 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 2022

	Notes	**2022 AED**	2021 AED
ASSETS			
Property and equipment	*9*	**180,529**	612,441
Intangible asset	*10*	**254,821**	417,442
Investment in subsidiaries	*11*	**1,435,575**	1,435,575
Non-current assets		**1,870,925**	2,465,458
Trade and other receivables	*12*	**35,300,969**	22,969,079
Due from related parties	*13*	**7,300,860**	4,561,893
Cash and cash equivalents	*14*	**16,765,615**	2,853,817
Current assets		**59,367,444**	30,384,789
Total assets		**61,238,369**	32,850,247
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		**(51,832,740)**	(52,764,503)
Total equity		**(42,041,451)**	(42,973,214)
Liabilities			
Provision for employees' end of service benefits	*18*	**3,069,767**	2,795,796
Non-current liabilities		**3,069,767**	2,795,796
Trade and other payables	*19*	**70,169,804**	57,376,415
Due to related parties	*13*	**641,177**	1,135,074
Loan from holding Company	*13*	**13,299,403**	14,070,405
Bank borrowings	*14.1*	**16,099,669**	-
Lease liability	*20*	**-**	445,771
Current liabilities		**100,210,053**	73,027,665
Total liabilities		**103,279,820**	75,823,461
Total equity and liabilities		**61,238,369**	32,850,247

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 2022.

These separate financial statements were authorized for issue by the shareholders on 07 August 2023.

Salim Sikander	**Peter Payet**
Chief Executive Officer	Chief Financial Officer

The notes on pages 9 to 34 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	**2022 AED**	2021 AED
Cash flows from operating activities			
Profit for the year		**931,763**	1,847,625
Adjustments for:			
Depreciation on property and equipment	*9*	**525,378**	596,603
Amortizations on intangible asset	*10*	**162,621**	165,669
Provision for employees' end of service benefits	*18*	**467,566**	513,612
Impairment loss on trade receivables	*12*	**250,000**	100,000
Interest expense on lease liability		**3,617**	17,853
Interest expense on loan from Holding Group		**922,387**	607,991
Interest expense on bank borrowings		**982,364**	780,894
Gain on sale of property and equipment		**-**	(108,000)
Net cash flows before working capital changes		**4,245,696**	4,522,247
Changes in:			
- trade and other receivables		**(12,581,889)**	(8,052,274)
- due from related parties		**(2,738,966)**	(978,777)
- due to related parties		**(493,896)**	(3,960,162)
- trade and other payables		**12,793,390**	21,271,287
Payment for employees' end of service benefits	*18*	**(193,595)**	(491,279)
Net cash from operating activities		**1,030,740**	12,311,042
Cash flows from investing activities			
Acquisition of property and equipment	*9*	**(93,470)**	(114,646)
Proceeds from disposal of property and equipment		**-**	108,000
Acquisition of intangible asset	*10*	**-**	-
Net cash used in investing activities		**(93,470)**	(6,646)
Cash flows from financing activities			
Proceeds from loan from Holding Group		**16,132,583**	9,948,410
Repayment of loan from Holding Group		**(17,825,972)**	(3,911,074)
Proceeds from bank borrowings		**16,099,669**	-
Repayment of bank borrowings		**-**	(17,655,074)
Repayment of interest on bank borrowings		**(982,364)**	(780,894)
Payment of lease liabilities		**(449,388)**	(449,387)
Net cash from / (used in) financing activities		**12,974,528**	(12,848,019)
Net increase / (decrease) in cash and cash equivalents		**13,911,798**	(543,623)
Cash and cash equivalents at beginning of the year		**2,853,817**	3,397,440
Cash and cash equivalents at end of the year	*14*	**16,765,615**	2,853,817

The notes on pages 9 to 34 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 2021	**300,000**	**150,000**	**9,341,289**	**(54,612,128)**	**(44,820,839)**
Total comprehensive income for the period					
Profit for the year	-	-	-	1,847,625	1,847,625
At 31 December 2021	**300,000**	**150,000**	**9,341,289**	**(52,764,503)**	**(42,973,214)**
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)**

The notes on pages 9 to 34 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.

On 21 July 2022, the Company has changed the shareholding pattern of the Company, Mohammad Ameen H.M. Mubasheri Almarzooqi has sold his 51% shares to Travel Circle International (Mauritius) Limited making it a single owner holding 100% shares as of 31 December 2022.

Below is the shareholding pattern of the Company before 21 July 2022:

Name of the shareholders	**% holding**
Mohammad Ameen H.M Mubasheri Almarzooqi	51%
Travel Circle International (Mauritius) Limited ("the Holding company")	49%

Mohammad Ameen H.M Mubasheri Almarzooqi has agreed not to take part in the operational and financial management of the Company.

The ultimate parent company of the Group is Fairfax Financial Holdings Limited with a registered address at 95 Wellington Street West, Suite 800, 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 preparation

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 2022, the Company reported a net profit of AED 931,763 *(2021: profit AED 1,847,625)*, net current liabilities of AED 40,842,609 *(2021: AED 42,642,876)* and net liabilities of AED 42,041,451 (2021: AED 42,973,214). As at 31 December 2022, the accumulated losses of the Company, amounted to AED 51,832,740 (2021: AED 52,764,503), 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.

3 Summary of Significant Accounting Policies

The Company has consistently applied the accounting policies set out below to all periods presented in these financial statements.

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 Significant 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 Significant 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 Significant 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 Significant 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

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 Significant 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 Significant 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 Significant 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 Significant 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 Significant 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 9 December 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 has become effective for accounting periods beginning on or after 1 June 2023.

As at 31 December 2022, the Law was not considered to be substantively enacted from the perspective of IAS 12 – Income Taxes since the threshold of income over which the 9% tax rate would apply and other clarifications were yet to prescribed by way of Cabinet Decisions.

The Cabinet of Ministers Decision No. 116/2022 effective from 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 [and a rate of 0% on qualifying income of free zone entities].

The Company is currently in the process of assessing the impact on the financial statements, both from current and deferred tax perspective.

New standards or amendments and forthcoming requirements

The following are the new currently effective requirements for annual periods beginning on 1 January 2022, which did not have a significant impact of the Company's financial statements:

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37) (1 January 2022).
- Annual improvements to IFRS Standards 2018 – 2020 (1 January 2022).
- Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16) (1 January 2022).
- Reference to the Conceptual Framework (Amendments to IFRS 3) (1 January 2022).

3 Summary of Significant Accounting Policies (continued)

New standards or amendments and forthcoming requirements (continued)

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

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)	1 January 2023
IFRS 17 Insurance Contracts and amendments to 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 Estimate (Amendments to IAS 8)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16): Transition, effective date and due process (Agenda Paper 12C)	1 January 2024

4 Revenue

Revenue from contract with customers is disaggregated by major products and service lines and timing of revenue recognition.

	2022	2021
	AED	AED
Tourism and related services	**298,200,950**	218,651,276
Tour packages	**36,051,110**	6,196,397
Hotel commissions	**3,890,984**	2,881,326
	338,143,044	227,728,999
Geographical markets		
United Arab Emirates	**338,143,044**	227,728,999
Timing of revenue recognition		
Revenue recognized at a point in time	**338,143,044**	227,728,999
Contract balances		
Receivables, which are included in "trade receivables and other receivables" (Note 12) - net	**12,115,275**	8,540,738

5 Cost of sales

	2022 AED	2021 AED
Tourism and related services	**280,738,362**	205,789,085
Tour Packages	**32,744,945**	4,955,729
	313,483,307	210,744,814

6 Administrative and general expenses

	2022 AED	2021 AED
Staff salaries and related benefits	**17,028,324**	11,566,308
Advertisement and business promotion	**1,423,095**	840,189
IT expenses	**1,416,912**	1,022,428
Travel expense	**543,664**	88,453
Depreciation (refer note 9.1)	**525,378**	596,603
Office expense	**392,743**	349,959
Amortisation (refer note 10)	**162,621**	165,669
Rent expense	**126,122**	125,904
Other expenses	**1,888,194**	1,296,756
	23,507,053	16,052,269

7 Net finance cost

	2022 AED	2021 AED
Finance income		
Net foreign exchange gain	**(867,990)**	(634,664)
Interest income	**(560)**	(1,338)
Total finance income	**(868,550)**	(636,002)
Finance cost		
Interest on bank borrowings	**982,364**	780,894
Interest on loan from Holding Group (note 13)	**922,387**	607,991
Bank charges	**240,680**	227,614
Other charges for corporate guarantee	**91,541**	103,443
Interest on lease liabilities (note 20)	**3,617**	17,853
Total finance cost	**2,240,589**	1,737,795
Net finance costs	**1,372,039**	1,101,793

8 Other income – net

	2022 AED	2021 AED
Expenses recharged to associated companies	**-**	600,000
Expenses recharged by associated companies	**(244,958)**	(249,727)
Commission Income	**1,646,076**	1,659,229
Gain on sale of fixed assets	**-**	108,000
	1,401,118	2,117,502

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 2021	2,624,877	492,529	1,154,709	894,636	5,166,751
Additions	48,000	66,646	-	-	114,646
Disposals	(195,627)	-	-	-	(195,627)
Balance at 31 December 2021	**2,477,250**	**559,175**	**1,154,709**	**894,636**	**5,085,770**
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**
Depreciation					
Balance at 1 January 2021	2,542,424	461,146	1,032,991	35,792	4,072,353
Charge for the year	35,502	24,611	107,070	429,420	596,603
Disposals	(195,627)	-	-	-	(195,627)
Balance at 31 December 2021	**2,382,299**	**485,757**	**1,140,061**	**465,212**	**4,473,329**
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**
Net book value					
At 31 December 2022	**50,441**	**90,154**	**39,934**	**-**	**180,529**
At 31 December 2021	94,951	73,418	14,648	429,424	612,441

9.1 Allocation of depreciation expense

	2022 AED	2021 AED
Depreciation expense related to administration (refer note 6)	**525,378**	596,603

10 Intangible asset – Software

	2022 AED	2021 AED
Cost		
As at 1 January	**2,080,968**	2,080,968
As at 31 December	**2,080,968**	2,080,968
Amortisation		
As at 1 January	**1,663,526**	1,497,857
Charge for the period	**162,621**	165,669
As at 31 December	**1,826,147**	1,663,526
Net book value as at 31 December	**254,821**	417,442

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 2022	**1,435,575**	**-**	**1,435,575**
At 31 December 2021	1,435,575	-	1,435,575

Management carried out an impairment test of the carrying value of the subsidiaries as at 31 December 2022, 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 2022.

12 Trade and other receivables

	2022 AED	2021 AED
Trade receivables	**15,524,066**	11,699,529
Provision for impairment loss on trade receivables (refer note 12.1)	**(3,408,791)**	(3,158,791)
	12,115,275	8,540,738
Other receivables and prepayments		
Advances to suppliers	**10,461,338**	3,706,255
Prepayments	**601,570**	695,498
Other receivables		
- Deposits	**5,600,425**	5,600,425
- Commission receivables	**5,008,656**	3,336,060
- Other receivables	**1,513,705**	1,090,103
	35,300,969	22,969,079

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:

	2022 AED	2021 AED
As at 1 January	**3,158,791**	3,058,791
Provision made during the year	**250,000**	100,000
As at 31 December	**3,408,791**	3,158,791

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:

	2022 AED	2021 AED
Sales to related parties	**26,288,808**	8,498,149
Loan acquired from Holding Company	**16,519,500**	9,948,410
Expenses recharged by fellow subsidiaries (note 8)	**(244,958)**	(249,727)
Expenses recharged to fellow subsidiaries (note 8)	**-**	600,000
Repayment of loan and interest loan from Holding Company	**(18,212,889)**	(3,911,074)

The key management personnel compensation is as follows:

	2022 AED	2021 AED
Short-term employee benefits	**2,821,326**	1,969,280
Staff terminal benefits	**154,142**	194,208
	2,975,468	2,163,488

Due from related parties

	2022 AED	2021 AED
Entities under common ownership		
Gulf Dunes LLC	**3,525,250**	3,973,956
Muscat Desert Adventures Tourism LLC	**2,040,622**	-
Thomas Cook (India) Limited	**921,370**	-
SOTC Travel Limited	**449,299**	352,704
TC Visa Services (India) Ltd	**290,555**	166,288
Desert Adventures Tourism – Jordan	**70,016**	63,848
Kuoni Private Safaris Limited	**2,803**	2,803
Digiphoto Entertainment Imaging	**-**	2,294
Horizon Travel Services LLC	**945**	-
	7,300,860	4,561,893

13 Related parties (continued)

Due to related parties

	2022 AED	2021 AED
Subsidiaries of Company		
Muscat Desert Adventures Tourism LLC	**-**	235,385
Entities under common ownership		
Reem Tours LLC	**608,868**	608,868
TC Travel Services Limited	**20,900**	67,094
Travel Corporation (India) Limited	**5,969**	5,969
Jardin Travel Solutions Limited	**2,805**	2,805
Australian Tours Management Pty Ltd	**2,635**	2,635
Thomas Cook (India) Limited [TCIL]	**-**	204,540
Horizon Travel Services	**-**	7,778
	641,177	1,135,074

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 3.88% to 6.98%. The movement in the balance during the year ended 31 December 2022 is as follows:

	2022 AED	2021 AED
Opening balance	**14,070,405**	7,425,078
Proceeds from loan	**16,132,583**	9,948,410
Interest accrued during the year	**922,387**	607,991
Repayment of principal and interest	**(17,825,972)**	(3,911,074)
Closing balance	**13,299,403**	14,070,405

14 Cash and cash equivalents

	2022 AED	2021 AED
Cash in hand	**268,750**	150,849
Cash at bank	**16,496,865**	2,702,968
	16,765,615	2,853,817

Above, cash at bank include current account balance of AED 36,792 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

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 2022 is AED 16,099,669 (2021: AED Nil). The Company also has commercial card facility of AED 12,855,400 issued by Citi bank.

15 Share capital

	2022 AED	2021 AED
Authorised, issued and fully paid up capital		
100 shares of AED 3,000 each	**300,000**	300,000

16 Shareholder contribution

	2022 AED	2021 AED
Shareholder contribution	**9,341,289**	9,341,289

17 Statutory reserves

In accordance with UAE Federal 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 *(2021: AED Nil)*.

18 Employees' end of service benefits

	2022 AED	2021 AED
As at 1 January	**2,795,796**	2,773,463
Provision during the year	**467,566**	513,612
Payments made during the year	**(193,595)**	(491,279)
As at 31 December	**3,069,767**	2,795,796

19 Trade and other payables

	2022 AED	2021 AED
Trade payables	**13,089,569**	11,101,358
Advances from customers	**16,350,982**	15,790,177
Accruals and other payables		
- Employees accruals	**2,083,609**	1,118,817
- Hotel and other service accruals	**36,739,626**	27,693,900
- Other payables	**1,906,018**	1,672,163
	40,729,253	30,484,880
	70,169,804	57,376,415

20 Lease liabilities

	2022 AED	2021 AED
Current	-	445,771
Non-current	-	-
Balance at 31 December	-	445,771

20 Lease liabilities (continued)

Set out below, are the carrying amounts of the Company's lease liabilities and the movements during the year:

	2022 AED	2021 AED
As at 1 January	**445,771**	877,305
Interest expense on lease liability (note 7)	**3,617**	17,853
Repayment of lease liability during the year	**(449,388)**	(449,387)
As at 31 December	**-**	445,771

Amount recognized in the profit or loss

	2022 AED	2021 AED
Interest on lease liability	**3,617**	17,853
Depreciation on right-of-use asset (refer note 9)	**429,420**	429,420
Expenses relating to low value assets, excluding short-term leases (refer note 6)	**126,122**	125,904
Balance at 31 December	**559,159**	573,177

Amounts recognized in the Statement of cash flows

	2022 AED	2021 AED
Repayment of lease liability	**(449,388)**	(449,387)

21 Contingencies and commitments

Contingent liabilities
The Company has AED 716,238 *(2021: AED* 716,238*)* of bank guarantees as at 31 December 2022, these were issued during the normal course of business.

Capital commitments
There are no capital commitments of the Company as at 31 December 2022 (31 December 2021: 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:

	2022	2021
	AED	AED
Trade and other receivables *	**24,238,061**	18,567,326
Due from related parties	**7,300,860**	4,561,893
Cash at bank	**16,496,865**	2,702,968
	--------------	--------------
	48,035,786	25,832,187
	========	========

* 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 2022 AED	Carrying amount 2021 AED
Geographical regions		
Commonwealth of Independent States	**2,363,335**	4,019,467
Europe	**6,628,015**	5,383,238
Middle East	**2,266,332**	269,311
Asia	**1,768,169**	1,098,970
Others	**2,498,215**	928,543
	--------------	--------------
Grand total	**15,524,066**	11,699,529
	========	========

22 Financial risk management *(continued)*

Credit risk *(continued)*

The ageing of trade receivables at the reporting date was:

	Not credit-impaired 2022 AED	**Credit impaired 2022 AED**	Not credit-impaired 2021 AED	Credit impaired 2021 AED
Not yet due	**10,002,543**	**-**	6,696,710	-
1-30 days	**2,112,732**	**369,481**	1,844,028	126,553
31- 90 days	**-**	**455,143**	-	619,905
91- 120 days and above	**-**	**2,584,167**	-	2,412,333
Total gross carrying amount	**12,115,275**	**3,408,791**	8,540,738	3,158,791
Loss allowance	**-**	**(3,408,791)**	-	(3,158,791)
	12,115,275	**-**	8,540,739	-

Impairment losses

Expected credit losses assessment for individual customers as at 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 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.

22 Financial risk management (continued)

Credit risk (continued)

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:

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)**	**-**

2021	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*	41,586,238	(41,586,238)	(41,586,238)	-
Lease liability	445,771	(445,771)	(445,771)	-
Due to related parties	1,135,074	(1,135,074)	(1,135,074)	-
Loan from holding Company	14,070,405	(14,070,405)	(14,070,405)	-
	57,237,488	(57,237,488)	(57,237,488)	-

* *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.

22 Financial risk management (continued)

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.

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	**2022**	2021
	AED	AED
Financial liabilities (loan from holding company)	**13,299,403**	14,070,405
Financial liabilities (bank borrowings)	**16,099,669**	-
	29,399,072	14,070,405

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 293,991 *(2021: AED 140,704)*. 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 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.

24 Use of judgments and estimates (continued)

Assumptions and estimation uncertainties (continued)

(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.

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.

(b) Going concern assumption

The Company's management has performed a preliminary assessment of the Company's ability to continue as a going concern, which covers a period of twelve months from the financial position date. The Company's management has prepared its business forecast and the cash flow forecast for the twelve months from the statement of financial position date on a conservative basis. The forecasts have been prepared taking into consideration the nature and condition of its business, the degree to which it is affected by external factors and other financial and non-financial data available at the time of preparation of such forecasts. On the basis of such forecasts, the Company's management is of the opinion that the Company will be able to continue its operations for the next twelve months from the financial position date and that the going concern assumption used in the preparation of these separate financial statements is appropriate. The appropriateness of the going concern assumption shall be reassessed on each reporting date.

(c) Depreciation method, useful life and residual values of property and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property and equipment and no adjustment to the residual lives and remaining useful lives of the assets was considered necessary for the current year.

(d) Revenue recognition timing

Revenue from hotel accommodation (both separate and sold as part of tour package) is recognized when the control is transferred to the customer. The customer gets the control when all the tour related vouchers and travel tickets are issued to them. As per the general practice, the Company issues all the vouchers and travel tickets to the Customer at time of travel of the tour. Hence, the Company fully transfers control of the promised services to the customer once all the vouchers and tickets are issued to the customer at time of travel.

24 Use of judgments and estimates (continued)

Assumptions and estimation uncertainties (continued)

(e) Tour Package as single performance obligation

To assess whether the contract contains single performance obligation or multiple performance obligation requires judgment. For sale of tours packages, the promised services within tour packages in nature of hotel accommodation, visas, transfers, meet and greet and excursions, though capable of being distinct are not distinct within the context of the contract. The objective when assessing whether an entity's promises to transfer goods or services are distinct within the context of the contract is to determine whether the nature of the promise is to transfer each of those goods or services individually, or whether the promise is to transfer a combined item or items to which the promised goods or services are inputs. In sale of tour packages as the obligation is to provide all the services together to the customer hence there is only one single performance obligation.

(f) Lease term

In determining the lease term, management considers facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if lease is reasonably certain to be extended. The factors considered most relevant include significant penalties to not extend, leasehold improvements remaining net book value, business disruption and availability of alternative options.

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 Impact of Global Events

(a) COVID-19:

In 2020, the World Health Organization ("WHO") announced a global health emergency because of coronavirus (the "COVID- 19 Outbreak") and classified the outbreak as a pandemic. Compared to 2020 wherein the pandemic had impacted adversely, in the current and prior year, there has been a significant improvement in operating results of the Company across key segments and geographies as the impact of pandemic started to ease in markets. Although the global economic situation with relation to COVID-19 remains fluid and will be determined by factors that continue to evolve, such as resurgence of variants, success of support measures introduced by governments and the effectiveness of public policies intended to contain the spread, the Company's management continues to evaluate the situation for any adverse impact.

(b) Inflation and Global Central Banks Tightening Programs:

The global economic outlook deteriorated throughout 2022 amid high inflation, monetary tightening from central banks and uncertainties from both conflict in Ukraine and the lingering pandemic. Central Banks across most economies responded by increasing interest rates, resulting in slowdown in growth. The rising government borrowing costs, slowdown in growth and large capital outflows have exacerbated fiscal and balance of payments pressures in a number of developing.

26 Impact of Global Events (continued)

(b) Inflation and Global Central Banks Tightening Programs (continued):

As a consequence, the Company's financial statements for the year have been impacted by increase in interest rate resulting into higher finance cost as compared to previous year.

(c) Russia-Ukraine Conflict and impact of Geo-political situation in Common Wealth of Independent States (CIS)

The current ongoing conflict between Russia-Ukraine has triggered global economic disruption and has, amongst other impacts, led to increased volatility in global financial markets and commodity prices due to disruption of supply chain. Also, the conflict is taking a toll on the global tourism economy, disrupting normal travel patterns and spending, and some countries are destined to take more of the impact than others. Further, the Geo-political situation in CIS countries has resulted in sanctions on some CIS countries related to Trade and finance which has resulted in a reduction of business from these countries. However, as per management's assessment, the conflict and sanctions does not have a material impact to the Company's financial statements.

27 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.

Balance Sheet

31-Dec-2022

KQ Form 01

Prepared by: Digiphoto Entertainment Imaging (Shanghai) Co., Ltd

Currency: RMB

Assets	Notes	Year-closing balance	Year-opening balance	Liabilities & Owners' Equity	Notes	Year-closing balance	Year-opening balance
Current Assets:				**Currents Liabilities:**			
Cash and Cash Equivalents	1	4,545,208.57	3,602,012.42	Short-term loans	31	1,940,654.78	5,326,909.04
Short-term investments	2	-	-	Notes payables	32	-	-
Notes receivables	3	-	-	Account payables	33	29,225,343.61	15,952,326.77
Account receivables	4	8,322,404.17	3,639,229.44	Deposit received	34	-	-
Prepayments	5	259,115.13	683,621.36	Salary and wages payable	35	79,553.01	-
Dividend receivables	6	-	-	Taxes and dues payable	36	-82,582.10	-423,625.41
Interest receivables	7	-	-	Interest payables	37	74,429.77	54,301.57
Other receivables	8	274,993.44	(1,495,170.20)	Profits payables	38	-	-
Inventories	9	2,801,818.56	2,793,897.28	Other payables	39	-6,530.52	-5,249.71
Including: Raw materials	10	-	-	Other current liabilities	40	9,538,889.78	5,623,802.08
Work in process	11	-	-	**Total Current Liabilities**	41	40,769,758.33	26,528,464.34
Inventory	12	2,801,818.56	2,793,897.28	Non-current liabilities:		-	-
Working materials	13	-	-	Long-term loans	42	-	-
Other current assets	14	260,760.00	242,760.00	Long-term account payables	43	-	-
Total Current Assets	15	16,464,299.87	9,466,350.30	Deferred income	44	-	-
Non-current Assets:				Other non-current liabilities	45	-	-
Long-term investment on bonds	16	-	-	**Total Non-current Liabilities**	46	-	-
Long-term investment on stock	17	-	-	**Total liabilities**	47	40,769,758.33	26,528,464.34
Original price of fixed assets	18	6,590,929.82	6,769,386.13				
less: Accumulated depreciation	19	-3,135,683.73	(1,834,755.62)				
Book value of fixed assets	20	3,455,246.09	4,934,630.51				
Construction in process	21	-	25,238.09				
Construction supplies	22	-	-				
Disposal of fixed assets	23	-	-				
Productive biological asset	24	-	-	**Owners' Equity(or shareholder's equity):**			
Intangible assets	25	-	-	Paid in capital(or equity capital)	48	14,200,331.92	11,587,859.65
Development expenditure	26	-	-	Capital surplus	49	-	-
Long-term deffered and prepaid expenses	27	-	-	Surplus reserve	50	-	-
Other non-current assets	28	-	-	Undistributed profit	51	-35,050,544.29	-23,690,105.10
Total Non-current Assets	29	3,455,246.09	4,959,868.60	**Total Owners' Equity**	52	**-20,850,212.37**	**-12,102,245.44**
Total Assets	30	**19,919,545.96**	**14,426,218.90**	**Total Liabilities & Owners' Equity**	53	**19,919,545.96**	**14,426,218.90**

Profit & Loss

31-Dec-2022

KQ Form 02

Prepared by: Digiphoto Entertainment Imaging (Shanghai) Co., Ltd | Currency: Rmb

Items	Notes	Dec	Cumulative amount for current year
I. Sales of operations	01	26,526,684.92	**26,526,684.92**
Less: Cost of operations	02	30,301,645.78	**30,301,645.78**
Sales tax and additions	03	-	-
Including: Consumption tax	04	-	-
Business tax	05	-	-
Urban Maintenance and Construction Tax	06	-	-
Resource tax	07	-	-
Land value added tax	08	-	-
Town Land Use Tax Tax Vehicle Tax Stamp Duty	09	-	-
Education surtax mineral resources compensation fee emission fee	10	-	-
Selling expenses	11	-	-
Including: Maintenance fee of commodities	12	-	-
Advertising and business promotion costs	13	-	-
Management fee	14	8,723,008.68	**8,723,008.68**
Including: Establishment charges	15	-601,913.78	**-601,913.78**
Hospitality expenses	16	-	-
R&D	17	-	-
Financial expenses:	18	461,255.35	**461,255.35**
Including: Interest costs (profit expressed with "-")	19	-31,213.50	**-31,213.50**
Add: investment income (loss expressed with "-")	20	-	-
II.Operating profit (loss expressed with "-")	21	**-13,529,925.17**	**-13,529,925.17**
Add: Non-operating income	22	-	-
Including: Government subsidies	23	-16,500.00	**-16,500.00**
Less: Non-operating expenses	24	1,154,792.49	**1,154,792.49**
Including: Bad debt losses	25	-	-
Non-recoverable long-term bond investment loss	26	-	-
Non-recoverable long-term stock investment loss	27	-	-
Losses due to force majeure factors such as natural disasters	28	-	-
Tax overdue fee	29	-	-
III.Total profit (loss expressed with "-")	30	-14,668,217.66	**-14,668,217.66**
Less: Income tax expenses	31	-	-
Less: Bonus Provision	32	-	-
IV. Net profit(loss expressed with "-")	**33**	**-14,668,217.66**	**-14,668,217.66**

DEI General Trading LLC
Management Accounts
Balance sheet as at 31.12.2022

Nature	G/L acct	Short Text	Total
Assets	21700000	Inventory Material	-
	21700006	Inventory Prov for S	1,928
	21800000	A/C Rec- inter com	7,886,252
	21800015	Customer Balance Rev	-2,554
	22000032	VAT Input	1,724
	22000043	VAT Input Oth	-
	22100000	Prepaid Expenses	7,485
	22300380	Citi Bank Main-839	4,722
	22300381	Citi Bank Incom-839	-
	22300382	Citi Bank Outgoi-839	-
	22300420	Citi- Main-USD-847	17
	22300441	Bank Balance Revalua	-17
	22400016	Recharge Ace Health	-6,557
	22400029	Recharge I/C DEI Chi	168,011
	22400030	Recharge I/C DEI Dub	-
	22400036	Recharge I/C DEI Sin	12,800
	22400040	Recharge I/C DEI USA	2,625
	22400048	Recharge I/C DEI Mal	26,973
	22400060	Recharge Partners	45,184
	22400067	Recharge Revaluation	1,598
	22800000	Receivable Others	300,000
Assets Total			**8,450,191**
Liabilities	11100000	Equity Share Cap	-300,000
	11200006	Retained Earnings	44,694
	11800001	Vendor - Services	67,645
	11800002	Vendor domestic(inv)	-8,296,914
	11800003	Vendor-Import(inv)	-773,162
	11800006	Vendor -Others	959,919
	11800011	Vendor Balance Reval	-2,752
	11900004	adv rec-cstr(intcom)	-147,000
	11900008	Zero balance clearin	-
	12000006	IR/GR Clearing a/c	-2,620
Liabilities Total			**-8,450,191**

DEI General Trading LLC
Management Accounts
Profit and Loss for the year ended 31.12.2022

Nature	**G/L acct**	**Short Text**	**Total**
Income			
Revenue from Operations	31100000	Revnenue	-
Total		Revnenue	-
Operational Expenses	41200030	Uniform Exp (Ops)	7,516
	42500001	Post & Cou. Char-Sit	1,898
	42900002	Credit Card Charges	541
	42900003	Bank Charges	5,808
	43900000	Un-Realised	79,794
	43900001	Un-Realised	-82,465
Total Operational Exp			13,091
Loss for the year ended			**13,091**

DEI JAFZA
MANAGEMENT ACCOUNTS 2022 - BALANCESHEET

Clssification	**Account Group Desc**	**Total**
Assets	215-Investment-Unquoted	2,669,318.77
	218-Trade receivables-Unsecured Current	1,057,184.59
	220-Balances with Government authorities-Current	51,953.58
	221-Prepaid Expenses	15,044.33
	223-Bank Balance in Current Account	91,740.64
	224-Loans and Advances Given	2,813,460.42
	227-Bank balances other than cash and cash equivalents	9,755.02
	228-Other Receivables	12,815.08
Assets Total		**6,721,272.43**
Liabilities	111-Shareholder's Equity	- 800.00
	112-Reserve and Surplus	1,026,239.37
	115-Loans and Advances-Short Term Loan-Secured	-
	116-Loans and Advances-Short Term Loan-Unsecured	- 6,200,000.00
	118-Accounts Payable Control	- 1,686,041.72
	119-Others Current Liabilities	- 163,348.00
	122-Provision for Expenses	302,677.92
Liabilities Total		**- 6,721,272.43**
Grand Total		**-**

DEI JAFZA
MANAGEMENT ACCOUNTS 2022 - P&L

Clssification	G/L acct	Short Text	Total
Income	31200001	Int On Fixed Dep	-
Income Total			**-**
Expenses	42100007	Software Expenses	-
	42600000	Legal Expense	1,779.29
	42600002	Consultancy Exp	14,901.86
	42600005	Audit Fees - Statuto	4,999.81
	42900000	Round Off Account	- 0.29
	42900002	Credit Card Charges	750.00
	42900003	Bank Charges	13,304.40
	42900004	Rental EDC	-
	43000000	Int Rec On Loan	- 589,147.55
	43000001	BG Char& Comm	2,438.66
	43000010	Interest Paid On Loa	2,725.14
	43000020	Interest Paid On Loa	586,864.22
	43300003	With holding Tax	43,246.30
	43400009	CSF - Dubai	170,596.00
	43400031	Royalty Fee	- 432,470.00
	43500000	Regional Overhead Ab	60,399.09
	43500009	R.O - Dubai	5,490.74
	43600000	Income Tax	-
	43800000	Realised Foreign Exc	1.43
	43800001	Realised Foreign Exc	- 75.71
	43900000	Un-Realised	7,150.59
	43900001	Un-Realised	- 1,240.07
Expenses Total			**- 108,286.09**
Grand Total			**- 108,286.09**

DEI Macau
Management Accounts
Balance sheet as on 31.12.2022

Nature	Group	Group Name	G/L acct	GL Name	Total
Asset	**211**	211-Property Plant and Equipment	**21100010**	Computers & Printers	1,348,266
			21100012	Accu D. Comp & Print	-1,251,138
			21100015	Furniture & Fixture	526,685
			21100016	Accu D. Fur & Fixtur	-433,020
			21100024	Accu D. Comp & Print	-10,058
			21100025	Accu D. Fur & Fixtur	-10,294
	211 Total				**170,442**
	217	217-Inventory	**21700000**	Inventory Material	537,089
			21700005	Goods in Transit	12,581
			21700006	Inventory Prov for S	0
			21700007	Prov for Stk (Man)	-30,913
	217 Total				**518,757**
	218	218-Trade receivables-Unsecured Current	**21800000**	A/C Rec- inter com	1,248,304
			21800011	Retail Customer	316,464
	218 Total				**1,564,768**
	219	219-Security deposits	**21900000**	Sec DP - D.P Partne	319
	219 Total				**319**
	221	221-Prepaid Expenses	**22100000**	Prepaid Expenses	2,702
	221 Total				**2,702**
	222	222-Cash and Cash Equivalents	**22200005**	Cash Control A/C	-
	222 Total				**-**
	223	223-Bank Balance in Current Account	**22300100**	BNU, S.A. Main	252,995
			22300101	BNU, S.A. Incoming	-
			22300102	BNU, S.A. Outgoing	-
	223 Total				**252,995**
	224	224-Loans and Advances Given	**22400004**	Shareholders Loan	25,000
			22400011	Advance To Vendor	112,362
			22400032	Recharge I/C DEI Hon	-
			22400036	Recharge I/C DEI Sin	0
			22400045	Recharge I/C DEI Mac	-
			22400051	Recharge I/C DEI Oth	-0
			22400067	Recharge Revaluation	1
	224 Total				**137,363**
Asset Total					**2,647,345**
Liability	**111**	111-Shareholder's Equity	**11100000**	Equity Share Cap	-25,000
	111 Total				**-25,000**
	112	112-Reserve and Surplus	**11200002**	Statutory Reserve	-12,500
			11200006	Retained Earnings	9,902,070
	112 Total				**9,889,570**
	118	118-Accounts Payable Control	**11800001**	Vendor - Services	-
			11800002	Vendor domestic(inv)	-42,777
			11800003	Vendor-Import(inv)	-12,039,005
			11800011	Vendor Balance Reval	-28,767
	118 Total				**-12,110,549**
	119	119-Others Current Liabilities	**11900008**	Zero balance clearin	-
	119 Total				**-**
	120	120-Payable Control (Interim)	**12000006**	IR/GR Clearing a/c	-52,237
			12000009	Service-Clearing Acc	-1,005
			12000016	IR/GR CLR Man	-33,894
	120 Total				**-87,136**
	122	122-Provision for Expenses	**12200000**	pro for R.share	22
			12200001	pro for exp accrual	-259,581
	122 Total				**-259,559**
	124	124-Employees Benefit Payable	**12400002**	MPF / PF Payable	-945
			12400007	Salary Payable	-53,726
			12400020	Social Insurance Pay	-
	124 Total				**-54,671**
Liability Total					**-2,647,345**

DEI Macau
Management Accounts
Balance sheet as on 31.12.2022

Group		Group Name	G/L acct	GL Name	Total
	311	311-Revenue	31100000	Sales- Products	-2,685,990
311 Total					**-2,685,990**
	411	411-Revenue Share	41100000	R.S-Local Partner	1,306,678
411 Total					**1,306,678**
	412	412-Direct Labour	41200000	Salary Basic (Ops)	899,896
			41200003	S-Medical Allow(Op)	22,936
			41200011	Staff Incentive (Ops	8,845
			41200012	Overtime (Ops)	9,268
			41200013	Gratuity (Ops)	-
			41200025	Agency Fees (Ops)	154,775
			41200027	Medical Exp (Ops)	5,122
			41200029	Tri & Recru Exp (Ops	6,172
			41200030	Uniform Exp (Ops)	1,866
			41200035	SSF (Ops)	13,670
			41200042	Transportation (Ops)	436
			41200054	Any Other Exp (Ops)	9,438
			41200064	Absorption-U/O (Ops)	-1,132,423
			41200071	Labour Charge	1,132,423
412 Total					**1,132,423**
	413	413-Direct Material	41300000	Cost Of Material	204,600
			41300001	Ct Mat -Consumables	737
			41300005	Cost Of MTs- Events	1,005
			41300015	Inventory Diff - Los	-9,382
			41300019	Consumption of Stock	91,283
413 Total					**288,243**
	415	415-Direct IT and Telco	41500000	Repair & Main -IT &	27,569
			41500001	Int & Broad Char-Sit	9,168
			41500002	Mobile & Tele Exp-Si	8,514
			41500004	Consumables -IT–Site	396
415 Total					**45,647**
	416	416-Direct Others	41600000	Ins. Exp -HO & Sites	13,884
			41600001	Elec & Water Char-Si	293
			41600005	Equipment Transp.	79
			41600006	Printing & Stat.-Sit	163
			41600007	Post & Cou. Char-Sit	84
			41600009	Site Expenses Others	392
416 Total					**14,895**
	417	417-Direct Depreciation	41700003	Dep-Fur & Fixture	62,934
			41700004	Dep- Office Equ	-3,561
			41700006	Dep-Com & Printers	47,882
417 Total					**107,254**
	418	418-Indirect Labour AandS	41800020	Staff Incentive (A&S	-
418 Total					**-**
	419	419-Indirect Labour LT	41900000	Salary Basic (LT)	16,738
419 Total					**16,738**
	421	421-IT and Telco	42100003	Mobile and Tele Exp	-
			42100004	HR-HRMS+Payroll	4,954
421 Total					**4,954**
	425	425-Postage and Stationary	42500001	Post & Cou. Char-Sit	104
425 Total					**104**
	426	426-Legal and Professional	42600002	Consultancy Exp	67,446
			42600005	Audit Fees - Statuto	50,003
426 Total					**117,449**
	429	429-Bank and Credit Card Charges	42900000	Round Off Account	-5
			42900002	Credit Card Charges	77
			42900003	Bank Charges	10,732
429 Total					**10,804**
	432	432-Depreciation	43200003	Dep- Furniture & Fix	423
			43200004	Dep- Office Equipmen	3,561
			43200006	Dep- Computers & Pri	12,465
432 Total					**16,449**
	433	433-Rates and Taxes	43300002	Penalty & Fine	255
433 Total					**255**
	434	434-Central Service Fee	43400024	CSF - Singapore	994,103
434 Total					**994,103**
	435	435-Overhead Allocation	43500000	Regional Overhead Ab	170,183
			43500024	R.O - Singapore	523,734
435 Total					**693,917**
	438	438-Realised Foreign Exchange G/L	43800000	Realised Foreign Exc	123
			43800001	Realised Foreign Exc	-64
438 Total					**59**
	439	439-Un-Realised Foreign Exchange G/L	43900000	Un-Realised	-75,486
			43900001	Un-Realised	-5,736
439 Total					**-81,221**
Profit/Loss for the year					**1,982,760**

DEI Malaysia
Management Accounts
Balance sheet as at 31.12.2022

Nature	Group	Group Name	G/L acct	GL Name	Total
					MYR
Assets	211	Property Plant and Equipment	**21100010**	Computers & Printers	3,016,499
			21100012	Accu D. Comp & Print	-1,703,223
			21100015	Furniture & Fixture	596,085
			21100016	Accu D. Fur & Fixtur	-451,057
			21100020	Adj Capex Comp	327,672
			21100021	Adj Acc Depn Comp	71,699
			21100022	Adj Capex F&F	1,850
			21100023	Adj Acc Depn F&F	18,679
			21100024	Accu D. Comp & Print	-374,199
			21100025	Accu D. Fur & Fixtur	-72,329
	211 Total				**1,431,675**
	217	Inventory	**21700000**	Inventory Material	1,710,128
			21700005	Goods in Transit	91,087
			21700006	Inventory Prov for S	1,257
			21700007	Prov for Stk (Man)	611,962
	217 Total				**2,414,434**
	218	Trade receivables	**21800000**	A/C Rec- inter com	9,273,644
			21800004	Amex Card Control	-
			21800005	Credit Card Control	45,918
			21800011	Retail Customer	1,915,727
	218 Total				**11,235,289**
	219	Security deposits	**21900000**	Sec DP - D.P Partne	545,256
			21900001	Sec D.P - Rental D.	107,232
			21900005	Sec Deposits - Othe	4,475
	219 Total				**656,963**
	221	Prepaid Expenses	**22100000**	Prepaid Expenses	11,216
	221 Total				**11,216**
	222	Cash and Cash Equivalents	**22200000**	Petty Cash	2,563
			22200003	Tender Float	7,150
			22200005	Cash Control A/C	164,798
	222 Total				**174,511**
	223	Bank Balance in Current Account	**22300040**	CIMB BANK Main-089	916,380
			22300050	CIMB BANK Main-466	2,621
	223 Total				**919,000**
	224	Loans and Advances Given	**22400007**	Advan To Employee	1,651
			22400008	Salary Advance	-1,000
			22400011	Advance To Vendor	2,058,145
			22400039	Recharge I/C DEI Ind	3,103
	224 Total				**2,061,899**
	225	Advance Tax	**22500000**	Advance Tax	71,163
	225 Total				**71,163**
	226	Right of Use Assets	**22600000**	Right of Use Assets	42,692
			22600001	Gross-USE A/B	212,692
			22600009	Accu Dep- Use A - B	-202,042
	226 Total				**53,343**
	227	Bank balances other than cash and cash equivalents	**22700000**	F&D - With Bank	44,145
	227 Total				**44,145**
Assets Total					**19,073,637**
Liabilities	111	Shareholder's Equity	**11100000**	Equity Share Cap	-1,000,000
	111 Total				**-1,000,000**
	112	Reserve and Surplus	**11200006**	Retained Earnings	-7,250,335
	112 Total				**-7,250,335**
	113	Loans and Advances	**11300005**	Loan From Jafza	-
	113 Total				**-**
	118	Accounts Payable Control	**11800001**	Vendor - Services	-37,966
			11800002	Vendor domestic(inv)	-622,450
			11800003	Vendor-Import(inv)	-6,623,837
			11800011	Vendor Balance Reval	-126,898
	118 Total				**-7,411,151**
	119	Others Current Liabilities	**11900003**	adv recd-cstmr	-75
			11900013	Liab for Fixed Asset	-329,522
	119 Total				**-329,597**
	120	Payable Control (Interim)	**12000006**	IR/GR Clearing a/c	-267,828
			12000016	IR/GR CLR Man	-359,399
	120 Total				**-627,227**
	122	Provision for Expenses	**12200000**	pro for R.share	-1,766,453
			12200001	pro for exp accrual	-512,886
			12200002	Prov. For Taxation	-120,000
	122 Total				**-2,399,339**
	123	Other Non Current Liabilities	**12300000**	ROU L lbty - N curt	-55,623
	123 Total				**-55,623**
			12400007	Salary Payable	-367
	124 Total				**-367**
Liabilities Total					**-19,073,637**

DEI Malaysia
Management Accounts
Profit and Loss for the period ended 31.12.2022

Nature	Group	Group Name	G/L acct	GL Name	MYR Total
Income	**311**	Revenue	**31100000**	Sales- Products	-27,550,588
			31100004	S-Write Off- PDA	103
	312	Other Income	**31200001**	Int On Fixed Dep	-757
			31200014	Miscellaneous In	146
Income Total					**-27,551,096**
Expense	**411**	Revenue Share	**41100000**	R.S-Local Partner	11,797,951
			41100010	R.S-Sponcership Fes	33,333
	412	Direct Labour	**41200000**	Salary Basic (Ops)	3,404,721
	413	Direct Material	**41300000**	Cost Of Material	3,166,825
			41300001	Ct Mat -Consumables	312,605
			41300002	Stock W/Off Pro	-208,318
	415	Direct IT and Telco	**41500000**	Repair & Main -IT &	26,475
			41500001	Int & Broad Char-Sit	25,796
			41500002	Mobile & Tele Exp-Si	9,028
			41500004	Consumables -IT–Site	65,219
	416	Direct Others	**41600000**	Ins. Exp -HO & Sites	16,155
			41600001	Elec & Water Char-Si	1,200
			41600003	Sponsorship Fee- Sit	1,000
			41600004	Branch License -Site	3,190
			41600005	Equipment Transp.	5,888
			41600006	Printing & Stat.-Sit	2,171
			41600009	Site Expenses Others	44,118
	417	Direct Depreciation	**41700003**	Dep-Fur & Fixture	68,627
			41700006	Dep-Com & Printers	334,678
	418	Indirect Labour AandS	**41800000**	Indirect Labour (A&S)	702,317
	419	Indirect Labour LT	**41900000**	Indirect Salary (LT)	525,050
	420	Property Costs	**42000000**	Rent Exp- Office	78,768
			42000001	Rnt Exp-Warehouse	19,300
			42000003	Elec & W. Charg	148
			42000004	Elec & Water Charg	10,885
			42000006	Rep & Main-F&F-Oth	450
			42000009	Office Exp	6,726
			42000012	Office Insurance Cos	10,969
			42000014	Office Printer Cost	4,262
	421	IT and Telco	**42100001**	Repair & Main -IT &	650
			42100002	Int & Broadband Char	10,786
			42100003	Mobile and Tele Exp	18,363
			42100004	HR-HRMS+Payroll	9,763
			42100007	Software Expenses	3,463
			42100009	IT Consumables	7,000
	422	Travel and Entertainment	**42200013**	Expenses - ELT Dept	38,462
			42200014	Expenses - BD Dept	34,627
			42200017	Expenses - Ops Dept	18,676
			42200018	Expenses - IT Dept	1,924
			42200019	Expenses - HR Dept	4,000
			42200024	Expenses - Other	1,062
	424	Marketing and Advertising	**42400001**	Business Dev Exp	-
			42400004	Gift	5,000
			42400008	Marketing Expenses-O	150
	425	Postage and Stationary	**42500000**	Printing & Stat.-Sit	500
			42500001	Post & Cou. Char-Sit	2,389
	426	Legal and Professional	**42600000**	Legal Expense	36,000
			42600002	Consultancy Exp	41,160
			42600004	Audit Fees - Intern	-37,980
			42600005	Audit Fees - Statuto	142,720
			42600006	Audit Fees - Tax Aud	2,196
	427	Vehicle Costs	**42700002**	Vehicle Costs (Other	1,522
	429	Bank and Credit Card Charges	**42900000**	Round Off Account	54
			42900002	Credit Card Charges	63,615
			42900003	Bank Charges	35,223
	430	Interest and Provisions	**43000017**	Interest Received Ot	11,209
			43000018	Provision For Doubtf	-753,971
	432	Depreciation	**43200003**	Dep- Furniture & Fix	3,733
			43200006	Dep- Computers & Pri	50,249
			43200008	Lease Payments- Rent	-244,684
			43200009	Interest Expenses RO	2,651
			43200011	Dep-Right of Use Ass	234,124
	433	Rates and Taxes	**43300002**	Penalty & Fine	-1,019
	434	Central Service Fee	**43400024**	CSF - Singapore	1,238,805
	435	Overhead Allocation	**43500024**	R.O - Singapore	-416,257
	436	Corporation Tax	**43600000**	Income Tax	120,000
	438	Realised Foreign Exchange G/L	**43800000**	Realised Foreign Exc	148,572
			43800001	Realised Foreign Exc	-26
	439	Un-Realised Foreign Exchange G/L	**43900000**	Un-Realised	82,689
			43900001	Un-Realised	-3,010
Expense Total					**21,383,926**
Profit/Loss for the period					**-6,167,170**

DEI SOLUTIONS LTD (Mauritius)
Balance Sheet as at 31.12.2022
Management Accounts

	Group	Description	Total
Assets	211-Property Plant and Equipment	Furniture & Fixture	813,251
		Computers & Printers	6,531,498
		Accu D. Fur & Fixtur	- 557,151
		Accu D. Comp & Print	- 4,836,675
	211-Property Plant and Equipment Total		1,950,922
	217-Inventory	Prov for Stk (Man)	104,002
		Inventory Prov for S	- 21,879
		Inventory Material	2,632,265
	217-Inventory Total		2,714,388
	218-Trade receivables-Unsecured Current	Retail Customer	1,250,193
		A/C Rec. - R. Partie	34,296
	218-Trade receivables-Unsecured Current Total		1,284,490
	219-Security deposits	Sec DP - D.P Partne	51,000
	219-Security deposits Total		51,000
	220-Balances with Government authorities-Current	VAT Input	59,380
	220-Balances with Government authorities-Current Total		59,380
	221-Prepaid Expenses	Prepaid Expenses	39,027
	221-Prepaid Expenses Total		39,027
	222-Cash and Cash Equivalents	Petty Cash	15,000
	222-Cash and Cash Equivalents Total		15,000
	223-Bank Balance in Current Account	HSBC Main-111	3,337
		HSBC Main-006	300,691
	223-Bank Balance in Current Account Total		304,027
	224-Loans and Advances Given	Salary Advance	- 7,144
		Recharge Revaluation	6,974
		Recharge I/C DEI Mal	100,362
		Recharge I/C DEI Ind	1,305
		Advance To Vendor	301,367
	224-Loans and Advances Given Total		402,864
Assets Total			**6,821,098**
Liability	111-Shareholder's Equity	Equity Share Cap	- 100,000
	111-Shareholder's Equity Total		- 100,000
	112-Reserve and Surplus	Retained Earnings	34,584,601
	112-Reserve and Surplus Total		34,584,601
	118-Accounts Payable Control	vndor import(inv)	- 37,945,476
		vendor dmestic (inv)	- 154,721
		Vendor Balance Reval	- 2,148,377
		Vendor - Services	96,700
	118-Accounts Payable Control Total		- 40,151,875
	120-Payable Control (Interim)	Service-Clearing Acc	- 192,653
		IR/GR CLR Man	- 473,031
	120-Payable Control (Interim) Total		- 665,684
	121-Duties and Taxes	WHT-Salary	- 94,363
		WHT Payable	- 12,895
		VAT Output	- 117,409
	121-Duties and Taxes Total		- 224,667
	122-Provision for Expenses	pro for R.share	- 4,537
		pro for exp accrual	- 232,007
	122-Provision for Expenses Total		- 236,543
	124-Employees Benefit Payable	Staff-Income Tax	74,400
		Salary Payable	- 76,377
		NSF Payable	- 4,188
		NPF Payable	- 13,729
		Levy Payable	- 3,218
		Gratuity Payable	- 3,818
	124-Employees Benefit Payable Total		- 26,931
Liability Total			**- 6,821,098**

DEI SOLUTIONS LTD (Mauritius)
Profit and Loss for the year ended 31.12.2022
Management Accounts

Sub Group as per PNL	Description	Total
311-Revenue	Sales- Products	- 5,119,891
	S-Write Off- PDA	8,696
411-Revenue Share	R.S -C. Card Charges	22,767
	R.S-Local Partner	789,892
412-Direct Labour	Absorption-U/O (Ops)	- 3,590,910
	Any Other Exp (Ops)	664
	Ele&Wat Char-Staf Ac	3,215
	Employee Tax Ops	24,368
	Gratuity (Ops)	47,901
	Labour Charge	3,590,910
	Meals & Subsist (Ops	47,325
	Medical Exp (Ops)	7,490
	NPF Contribution-Emp	82,157
	NSF Contribution-Emp	20,119
	Overtime (Ops)	50,029
	R.Exp-Staff Accom-Op	265,700
	Relocation Exps (Ops	155,301
	Salary Basic (Ops)	1,609,570
	Salary Basic-Ops Mag	1,511,856
	Staff Incentive (Ops	169,128
	Tem Staff Salary-Con	13,484
	Transportation (Ops)	44,641
	Tri & Recru Exp (Ops	17,836
	Uniform Exp (Ops)	24,501
	Visa Exp (Ops)	45,150
413-Direct Material	Cost Of Material	306,490
	Ct Mat -Consumables	52,729
414-Direct Marketing and Projects	Marketing Material D	200,113
415-Direct IT and Telco	Consumables -IT–Site	23,097
	Int & Broad Char-Sit	18,785
	Mobile & Tele Exp-Si	31,293
	Repair & Main -IT &	13,006
416-Direct Others	Equipment Transp.	51,800
	Ins. Exp -HO & Sites	22,108
	Post & Cou. Char-Sit	11,701
	Printing & Stat.-Sit	16,873
	Site Expenses Others	64,828
417-Direct Depreciation	Dep-Com & Printers	1,126,651
	Dep-Fur & Fixture	134,807
418-Indirect Labour AandS	Transportation Exp (	2,200
420-Property Costs	Elec & W. Charg	7,746
	Elec & Water Charg	1,000
	Rent Exp- Office	18,958
421-IT and Telco	HR-HRMS+Payroll	6,926
	Int & Broadband Char	1,249
	Mobile and Tele Exp	28,716
422-Travel and Entertainment	Expenses - BD Dept	92,409
	Expenses - HR Dept	7,300
	Expenses - Ops Dept	16,563
	Traveling Exp Inter	216,233
424-Marketing and Advertising	Marketing Expenses-O	18,500
425-Postage and Stationary	Post & Cou. Char-Sit	2,500
	Printing & Stat.-Sit	8,342
426-Legal and Professional	Consultancy Exp	282,474
	Legal Expense	- 12,600
429-Bank and Credit Card Charges	Bank Charges	37,212
	Credit Card Charges	8,451
	Round Off Account	- 461
432-Depreciation	Dep- Computers & Pri	153,544
	Dep- Furniture & Fix	45,314
433-Rates and Taxes	Profession Tax	-
434-Central Service Fee	CSF - Dubai	1,830,077
435-Overhead Allocation	R.O - Dubai	57,270
	Regional Overhead Ab	607,982
438-Realised Foreign Exchange G/L	Realised Foreign Exc	782
439-Un-Realised Foreign Exchange G/L	Un-Realised	- 2,520,813
Profit/Loss for the period		**2,834,051**

Digiphoto Entertainment Imaging PTE Ltd
Management Accounts
Balance Sheet as at 31st December, 2022

Currency - SGD

Particulars	**Notes**	**As at 31st December, 2022**
ASSETS:		
Non-current assets:		
Property, plant and equipment	3	400,569
Right-Of-Use Assets		64,163
Security Deposit		64,244
Other non-current assets	6(e)	236,659
Total non-current assets		**765,634**
Current assets:		
Inventories		356,194
Trade receivables	6(b)	14,605,493
Cash and cash equivalents	6(c)	512,489
Bank balances other than cash and cash equivalents	6(d)	-
Security Deposit		-
Other current assets	8	633,854
Total current assets		**16,108,031**
TOTAL ASSETS		**16,873,665**
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	10(a)	1,100,000
Reserve and surplus	10(b)	-63,917
Total Equity		**1,036,083**
LIABILITIES		
Non-current liabilities		
Other non-current liabilities	11(c)	29,692
Total non-current liabilities		**29,692**
Current liabilities		
Trade payables	11(d)	15,536,108
Current Tax Liabilities	9	167,629
Other current liabilities	13	104,152
Total current liabilities		**15,807,889**
TOTAL LIABILITIES		**15,837,581**
TOTAL EQUITY AND LIABILITIES		**16,873,664**

Digiphoto Entertainment Imaging PTE Ltd
Management Accounts
Statement of Profit And Loss for the 12 months ended 31st Dec, 2022

Currency - SGD

Particulars	**Notes**	**12 months ended 31st Dec, 2022**
Income		
Revenue from operations	4	8,250,217
Other income	5	578,363
Other gains (net)	6	166,205
Total income		**8,994,784**
Expenses		
Cost of material consumed		621,704
Advertising		3,050
Employee compensation	7	2,231,342
Depreciation	8	181,736
Insurance		33,303
Legal & professional fees	9	106,081
Recrutiment expenses		51,542
RentalExpesnes		9,326
Repairs & maint		-2,406
Revenue share		2,771,181
Staff welfare		42,719
Travel & entertainent		65,125
Finance cost	11	180,380
Other expenses	10	1,156,931
Changes in inventories		
Total expenses		**7,452,015**
Profit before exceptional item		**1,542,770**
Add Exceptional items:		
Less Exceptional items:		-
(Loss)/Profit before tax		**1,542,770**
Less : Tax expense		
Current tax	23	4,293
Deferred tax	23	-
Total tax expenses		**4,293**
(Loss)/Profit for the year (A)		**1,538,477**

Digiphoto Entertainment Imaging Co.,Ltd.

Annual Financial Statements

For the year ended 31 December 2022

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, 2022, 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, 2022, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

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.

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, 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.

Emphasis of matters

I would like to emphasis as the company's total current assets fell short of the total current liabilities for the amount of 37.92 million baht and has accumulative loss in excess of capital of 14.45 million baht. This may affect the company's ability to operate continuously, as such it depend on the necessary financial support to enable company to continue operation as a going concern basis. However, the holding company DEI will provide financial support in case of any such circumstances.

(Suvit Chanamporn)
CPA No. 3800
April 20, 2023
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, 2022

Assets

		Baht	
Current assets		**2022**	**2021**
Cash and Cash equivalent	(Note 4)	2,952,896.40	313,078.73
Accounts Receivable and other receivable		3,522,548.37	701,271.49
Inventories		654,110.77	765,240.52
Other current assets		176,363.62	149,374.37
Total current assets		7,305,919.16	1,928,965.11
Non current assets			
Long term loan to related person	(Note 5)	21,812,450.72	21,812,450.72
Equipment - net	(Note 6)	1,649,153.00	1,938,073.41
Total non current assets		23,461,603.72	23,750,524.13
Total assets		30,767,522.88	25,679,489.24

The statutory financial statements were approved by The Annual Meeting of Shareholders on 30 April 2023.

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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

Statement of Financial Positions

As at December 31, 2022

Liabilities and Shareholders' equity

	Baht	
	2022	**2021**
Current liabilities		
Account Payable - Related parties	43,682,705.92	35,802,594.88
Account Payable - Other	1,294,523.98	438,376.94
Other Current Liabilities	246,093.17	18,985.32
Total current liabilities	45,223,323.07	36,259,957.14
Total liabilities	45,223,323.07	36,259,957.14
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)	(34,455,800.19)	(30,580,467.90)
Total shareholders' equity	(14,455,800.19)	(10,580,467.90)
Total liabilities and shareholders' equity	30,767,522.88	25,679,489.24

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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 income

For year ended December 31, 2022

	Baht	
Revenue	**2022**	**2021**
Service income	8,505,597.27	2,099,414.91
Total revenue	8,505,597.27	2,099,414.91
Cost and Expenses		
Cost of Service	6,882,666.81	4,368,447.58
Selling expenses	86,173.26	6,790.65
Administrative expenses	5,412,089.49	7,391,270.21
Total cost and expenses	12,380,929.56	11,766,508.44
Net loss for the year	(3,875,332.29)	(9,667,093.53)

(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, 2022

			in baht
	Issued and paid up ordinary shares	Retained earnings (deficit)	Total equity of the Company's shareholders
Balance at January 1,2021	20,000,000.00	(20,913,374.37)	(913,374.37)
Net Loss for the year	-	(9,667,093.53)	(9,667,093.53)
Balance at December 31, 2021	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)

....

(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, 2022

4 **Cash and cash equivalents**

	Baht	
	2022	**2021**
Cash on hand	7,361.00	10,001.00
Cash deposit in current account	2,945,535.40	303,077.73
Total	2,952,896.40	313,078.73

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	
	2022	**2021**
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 2022	**Increase**	**Decrease**	**31 December 2022**
Cost				
Computer & Equipment	4,767,871.94	623,617.75	-	5,391,489.69
Fixtures&Fittings	692,115.00	-	-	692,115.00
Total	5,459,986.94	623,617.75	-	6,083,604.69
Accumulated Depreciation				
Computer & Equipment	3,074,672.63	810,869.40	-	3,885,542.03
Fixtures&Fittings	447,240.90	101,668.76	-	548,909.66
Total	3,521,913.53	912,538.16	-	4,434,451.69
Net Book Value	1,938,073.41			1,649,153.00

7 **The approval of financial statement**

The financial statements were authorised for issue by the directors on April 20, 2023.

(Mr Ramakrishnan Kalapathy Shankar)

Director

บริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด

งบการเงินและรายงานของผู้สอบบัญชี

สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2565

รายงานของผู้สอบบัญชีรับอนุญาต

เสนอ ผู้ถือหุ้นของบริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด

ความเห็น

ข้าพเจ้าได้ตรวจสอบงบการเงินของบริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด (บริษัท) ซึ่งประกอบด้วยงบแสดงฐานะการเงิน ณ วันที่ 31 ธันวาคม 2565 งบกำไรขาดทุนและงบแสดงการเปลี่ยนแปลงส่วนของผู้ถือหุ้นสำหรับปีสิ้นสุดวันเดียวกันและหมายเหตุประกอบงบการเงินรวมถึงสรุปนโยบายการบัญชีที่สำคัญ

ข้าพเจ้าเห็นว่า งบการเงินข้างต้นนี้แสดงฐานะการเงินของบริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด ณ วันที่ 31 ธันวาคม 2565 และผลการดำเนินงานสำหรับปีสิ้นสุดวันเดียวกันโดยถูกต้องตามที่ควรในสาระสำคัญตามมาตรฐานการรายงานทางการเงินสำหรับกิจการที่ไม่มีส่วนได้เสียสาธารณะ

เกณฑ์ในการแสดงความเห็น

ข้าพเจ้าได้ปฏิบัติงานตรวจสอบตามมาตรฐานการสอบบัญชี ความรับผิดชอบของข้าพเจ้าได้กล่าวไว้ในวรรค*ความรับผิดชอบของผู้สอบบัญชีต่อการตรวจสอบงบการเงิน*ในรายงานของข้าพเจ้า ข้าพเจ้ามีความเป็นอิสระจากบริษัทตาม*ประมวลจรรยาบรรณของผู้ประกอบวิชาชีพบัญชี รวมถึง มาตรฐานเรื่องความเป็นอิสระ*ที่กำหนดโดยสภาวิชาชีพบัญชี (ประมวลจรรยาบรรณของผู้ประกอบวิชาชีพบัญชี) ในส่วนที่เกี่ยวข้องกับการตรวจสอบงบการเงิน และข้าพเจ้าได้ปฏิบัติตามความรับผิดชอบด้านจรรยาบรรณอื่นๆ ตามประมวลจรรยาบรรณของผู้ประกอบวิชาชีพบัญชี ข้าพเจ้าเชื่อว่าหลักฐานการสอบบัญชีที่ข้าพเจ้าได้รับเพียงพอและเหมาะสมเพื่อใช้เป็นเกณฑ์ในการแสดงความเห็นของข้าพเจ้า

ความรับผิดชอบของผู้บริหารต่องบการเงิน

ผู้บริหารมีหน้าที่รับผิดชอบในการจัดทำและนำเสนองบการเงินเหล่านี้โดยถูกต้องตามที่ควรตามมาตรฐานการรายงานทางการเงินสำหรับกิจการที่ไม่มีส่วนได้เสียสาธารณะ และรับผิดชอบเกี่ยวกับการควบคุมภายในที่ผู้บริหารพิจารณาว่าจำเป็นเพื่อให้สามารถจัดทำงบการเงินที่ปราศจากการแสดงข้อมูลที่ขัดต่อข้อเท็จจริงอันเป็นสาระสำคัญไม่ว่าจะเกิดจากการทุจริตหรือข้อผิดพลาด

ในการจัดทำงบการเงินผู้บริหารรับผิดชอบในการประเมินความสามารถของบริษัทในการดำเนินงานต่อเนื่อง เปิดเผยเรื่องที่เกี่ยวกับการดำเนินงานต่อเนื่อง (ตามความเหมาะสม) และการใช้เกณฑ์การบัญชีสำหรับการดำเนินงานต่อเนื่องเว้นแต่ผู้บริหารมีความตั้งใจที่จะเลิกบริษัทหรือหยุดดำเนินงานหรือไม่สามารถดำเนินงานต่อเนื่องต่อไปได้

ความรับผิดชอบของผู้สอบบัญชีต่อการตรวจสอบงบการเงิน

การตรวจสอบของข้าพเจ้ามีวัตถุประสงค์เพื่อให้ได้ความเชื่อมั่นอย่างสมเหตุสมผลว่างบการเงินโดยรวมปราศจากการแสดงข้อมูลที่ขัดต่อข้อเท็จจริงอันเป็นสาระสำคัญหรือไม่ ไม่ว่าจะเกิดจากการทุจริตหรือข้อผิดพลาด และเสนอรายงานของผู้สอบบัญชีซึ่งรวมความเห็นของข้าพเจ้าอยู่ด้วย ความเชื่อมั่นอย่างสมเหตุสมผลคือความเชื่อมั่นในระดับสูงแต่ไม่ได้เป็นการรับประกันว่าการปฏิบัติงานตรวจสอบตามมาตรฐานการสอบบัญชีจะสามารถตรวจพบข้อมูลที่ขัดต่อข้อเท็จจริงอันเป็นสาระสำคัญที่มีอยู่ได้เสมอไป ข้อมูลที่ขัดต่อข้อเท็จจริงอาจเกิดจากการทุจริตหรือข้อผิดพลาดและถือว่ามีสาระสำคัญเมื่อคาดการณ์ได้อย่างสมเหตุสมผลว่ารายการที่ขัดต่อข้อเท็จจริงแต่ละรายการหรือทุกรายการรวมกันจะมีผลต่อการตัดสินใจทางเศรษฐกิจของผู้ใช้งบการเงินจากการใช้งบการเงินเหล่านี้

ในการตรวจสอบของข้าพเจ้าตามมาตรฐานการสอบบัญชี ข้าพเจ้าได้ใช้ดุลยพินิจและการสังเกตและสงสัยเยี่ยงผู้ประกอบวิชาชีพตลอดการตรวจสอบ การปฏิบัติงานของข้าพเจ้ารวมถึง

- ระบุและประเมินความเสี่ยงจากการแสดงข้อมูลที่ขัดต่อข้อเท็จจริงอันเป็นสาระสำคัญในงบการเงินไม่ว่าจะเกิดจากการทุจริตหรือข้อผิดพลาด ออกแบบและปฏิบัติงานตามวิธีการตรวจสอบเพื่อตอบสนองต่อความเสี่ยงเหล่านั้น และได้หลักฐานการสอบบัญชีที่เพียงพอและเหมาะสมเพื่อเป็นเกณฑ์ในการแสดงความเห็นของข้าพเจ้า ความเสี่ยงที่ไม่พบข้อมูลที่ขัดต่อข้อเท็จจริงอันเป็นสาระสำคัญซึ่งเป็นผลมาจากการทุจริตจะสูงกว่าความเสี่ยงที่เกิดจากข้อผิดพลาด เนื่องจากการทุจริตอาจเกี่ยวกับการสมรู้ร่วมคิด การปลอมแปลงเอกสารหลักฐาน การตั้งใจละเว้นการแสดงข้อมูล การแสดงข้อมูลที่ไม่ตรงตามข้อเท็จจริงหรือการแทรกแซงการควบคุมภายใน
- ทำความเข้าใจในระบบการควบคุมภายในที่เกี่ยวข้องกับการตรวจสอบ เพื่อออกแบบวิธีการตรวจสอบที่เหมาะสมกับสถานการณ์ แต่ไม่ใช่เพื่อวัตถุประสงค์ในการแสดงความเห็นต่อความมีประสิทธิผลของการควบคุมภายในของบริษัท
- ประเมินความเหมาะสมของนโยบายการบัญชีที่ผู้บริหารใช้และความสมเหตุสมผลของประมาณการทางบัญชีและการเปิดเผยข้อมูลที่เกี่ยวข้องซึ่งจัดทำขึ้นโดยผู้บริหาร
- สรุปเกี่ยวกับความเหมาะสมของการใช้เกณฑ์การบัญชีสำหรับการดำเนินงานต่อเนื่องของผู้บริหารและจากหลักฐานการสอบบัญชีที่ได้รับ สรุปว่ามีความไม่แน่นอนที่มีสาระสำคัญที่เกี่ยวกับเหตุการณ์หรือสถานการณ์ที่อาจเป็นเหตุให้เกิดข้อสงสัยอย่างมีนัยสำคัญต่อความสามารถของบริษัทในการดำเนินงานต่อเนื่องหรือไม่ ถ้าข้าพเจ้าได้ข้อสรุปว่ามีความไม่แน่นอนที่มีสาระสำคัญ ข้าพเจ้าต้องกล่าวไว้ในรายงานของผู้สอบบัญชีของข้าพเจ้าโดยให้ข้อสังเกตถึงการเปิดเผยข้อมูลในงบการเงินที่เกี่ยวข้อง หรือถ้าการเปิดเผยข้อมูลดังกล่าวไม่เพียงพอ ความเห็นของข้าพเจ้าจะเปลี่ยนแปลงไป ข้อสรุปของข้าพเจ้าขึ้นอยู่กับหลักฐานการสอบบัญชีที่ได้รับจนถึงวันที่ในรายงานของผู้สอบบัญชีของข้าพเจ้า อย่างไรก็ตาม เหตุการณ์หรือสถานการณ์ในอนาคตอาจเป็นเหตุให้บริษัทต้องหยุดการดำเนินงานต่อเนื่อง

- ประเมินการนำเสนอ โครงสร้างและเนื้อหาของงบการเงินโดยรวม รวมถึงการเปิดเผยข้อมูลว่างบการเงินแสดงรายการและเหตุการณ์ในรูปแบบที่ทำให้มีการนำเสนอข้อมูลโดยถูกต้องตามที่ควรหรือไม่

ข้าพเจ้าได้สื่อสารกับผู้บริหารในเรื่องต่างๆ ที่สำคัญซึ่งรวมถึงขอบเขตและช่วงเวลาของการตรวจสอบตามที่ได้วางแผนไว้ ประเด็นที่มีนัยสำคัญที่พบจากการตรวจสอบ รวมถึงข้อบกพร่องที่มีนัยสำคัญในระบบการควบคุมภายในหากข้าพเจ้าได้พบในระหว่างการตรวจสอบของข้าพเจ้า

ข้อมูลและเหตุการณ์ที่เน้น

ข้าพเจ้าขอให้สังเกตบริษัทมีหนี้สินหมุนเวียนสูงกว่าสินทรัพย์หมุนเวียน จำนวนเงิน 37.92 ล้านบาท และมีขาดทุนสะสมเกินทุนจำนวนเงิน 14.45 ล้านบาท ปัจจัยที่ได้กล่าวไว้ข้างต้นอาจมีผลกระทบเกี่ยวกับความสามารถในการดำเนินงานอย่างต่อเนื่องของบริษัทและขึ้นอยู่กับการให้การสนับสนุนทางการเงินและแผนการดำเนินธุรกิจ อย่างไรก็ตามบริษัทแม่ในต่างประเทศยืนยันจะให้การสนับสนุนทางการเงินหากบริษัทเกิดปัญหาด้านสภาพคล่อง

ทั้งนี้ การแสดงความเห็นอย่างไม่มีเงื่อนไขของข้าพเจ้าต่องบการเงินมิได้เกี่ยวกับเรื่องที่ข้าพเจ้าให้ข้อสังเกตข้างต้นนี้

สุวิทย์ จันทร์อำพร
ผู้สอบบัญชีรับอนุญาต เลขทะเบียน 3800
20 เมษายน 2566
บริษัท เซเดคการบัญชีและภาษี จำกัด
98/162 ซอยรามคำแหง 39 วังทองหลาง กรุงเทพ

บริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด

งบแสดงฐานะการเงิน

ณ วันที่ 31 ธันวาคม 2565

สินทรัพย์

		บาท	
สินทรัพย์หมุนเวียน		**2565**	**2564**
เงินสดและรายการเทียบเท่าเงินสด	(หมายเหตุ 4)	2,952,896.40	313,078.73
ลูกหนี้การค้าและลูกหนี้อื่น		3,522,548.37	701,271.49
สินค้าคงเหลือ		654,110.77	765,240.52
สินทรัพย์หมุนเวียนอื่น		176,363.62	149,374.37
รวมสินทรัพย์หมุนเวียน		7,305,919.16	1,928,965.11
สินทรัพย์ไม่หมุนเวียน			
เงินให้กู้ยืมระยะยาวแก่บุคคลที่เกี่ยวข้องกัน	(หมายเหตุ 5)	21,812,450.72	21,812,450.72
อุปกรณ์ - สุทธิ	(หมายเหตุ 6)	1,649,153.00	1,938,073.41
รวมสินทรัพย์ไม่หมุนเวียน		23,461,603.72	23,750,524.13
รวมสินทรัพย์		30,767,522.88	25,679,489.24

งบการเงินนี้ได้รับอนุมัติจากที่ประชุมสามัญผู้ถือหุ้น ครั้งที่ 1/2566 เมื่อวันที่ 30 เมษายน 2566

x ....

(นายรามาคริสนาน คาลาพาธี แชนคา)

กรรมการ

หมายเหตุประกอบงบการเงินเป็นส่วนหนึ่งของงบการเงินนี้

บริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด

งบแสดงฐานะการเงิน

ณ วันที่ 31 ธันวาคม 2565

หนี้สินและส่วนของผู้ถือหุ้น

	บาท	
หนี้สินหมุนเวียน	**2565**	**2564**
เจ้าหนี้การค้าบริษัทที่เกี่ยวข้องกัน	43,682,705.92	35,802,594.88
เจ้าหนี้การค้าอื่น	1,294,523.98	438,376.94
หนี้สินหมุนเวียนอื่น	246,093.17	18,985.32
รวมหนี้สินหมุนเวียน	45,223,323.07	36,259,957.14
รวมหนี้สิน	45,223,323.07	36,259,957.14
ส่วนของผู้ถือหุ้น		
ทุนจดทะเบียน		
หุ้นสามัญ 20,000 หุ้น มูลค่าหุ้นละ 1,000.00 บาท	20,000,000.00	20,000,000.00
ทุนที่ออกและเรียกชำระแล้ว		
หุ้นสามัญ 20,000 หุ้น มูลค่าหุ้นละ 1,000.00 บาท	20,000,000.00	20,000,000.00
ขาดทุนสะสม	(34,455,800.19)	(30,580,467.90)
ขาดทุนสะสมเกินทุน	(14,455,800.19)	(10,580,467.90)
รวมหนี้สินและส่วนของผู้ถือหุ้น	30,767,522.88	25,679,489.24

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(นายรามาคริสนาน คาลาพาธี แชนคา)

กรรมการ

หมายเหตุประกอบงบการเงินเป็นส่วนหนึ่งของงบการเงินนี้

บริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด

งบกำไรขาดทุน

สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2565

	บาท	
รายได้	2565	2564
รายได้จากการให้บริการ	8,505,597.27	2,099,414.91
รวมรายได้	8,505,597.27	2,099,414.91
ต้นทุนและค่าใช้จ่าย		
ต้นทุนค่าบริการ	6,882,666.81	4,368,447.58
ค่าใช้จ่ายในการให้บริการ	86,173.26	6,790.65
ค่าใช้จ่ายในการบริหาร	5,412,089.49	7,391,270.21
รวมค่าใช้จ่าย	12,380,929.56	11,766,508.44
ขาดทุนสุทธิสำหรับปี	(3,875,332.29)	(9,667,093.53)

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(นายรามาคริสนาน คาลาพาธี แซนคา)

กรรมการ

หมายเหตุประกอบงบการเงินเป็นส่วนหนึ่งของงบการเงินนี้

บริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด
งบแสดงการเปลี่ยนแปลงส่วนของผู้ถือหุ้น
สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2565

หน่วย : บาท

	ทุนเรือนหุ้นที่ออกและชำระแล้ว	ขาดทุนสะสม	รวม
ยอดคงเหลือ ณ วันที่ 1 มกราคม 2564	20,000,000.00	(20,913,374.37)	(913,374.37)
ขาดทุนสุทธิสำหรับปี	-	(9,667,093.53)	(9,667,093.53)
ยอดคงเหลือ ณ วันที่ 31 ธันวาคม 2564	20,000,000.00	(30,580,467.90)	(10,580,467.90)
ขาดทุนสุทธิสำหรับปี	-	(3,875,332.29)	(3,875,332.29)
ยอดคงเหลือ ณ วันที่ 31 ธันวาคม 2565	20,000,000.00	(34,455,800.19)	(14,455,800.19)

x..
(นายรามาคริสนาน คาลาพาธี แชนคา)
กรรมการ

หมายเหตุประกอบงบการเงินเป็นส่วนหนึ่งของงบการเงินนี้

บริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด

หมายเหตุประกอบงบการเงิน

สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2565

1 ข้อมูลทั่วไป

บริษัท ดิจิโฟโต้ เอ็นเตอร์เทนเม้นท์ อิมเมจิ้ง จำกัด ("บริษัท") เป็นนิติบุคคลที่จัดตั้งขึ้นในประเทศไทยเมื่อวันที่ 21 สิงหาคม 2555 สำนักงานจดทะเบียนของบริษัทตั้งอยู่เลขที่ 19 ซอยเทอดไท 77 แขวงบางหว้า เขตภาษีเจริญ กรุงเทพมหานคร ทะเบียนนิติบุคคลเลขที่ 0105555122356

บริษัทประกอบธุรกิจหลักให้บริการถ่ายภาพในสถานที่พักผ่อน สวนสนุก และสถานบันเทิง ตลอดจนขายของที่ระลึกและอุปกรณ์เกี่ยวกับภาพถ่าย

2 เกณฑ์การจัดทำงบการเงิน

งบการเงินนี้จัดทำขึ้นตามมาตรฐานการรายงานทางการเงินสำหรับกิจการที่ไม่มีส่วนได้เสียสาธารณะรวมถึงแนวปฏิบัติทางการบัญชีที่ประกาศโดยสภาวิชาชีพบัญชีฯ ("สภาวิชาชีพบัญชี")

ในการจัดทำงบการเงินให้เป็นไปตามมาตรฐานการรายงานทางการเงินสำหรับกิจการที่ไม่มีส่วนได้เสียสาธารณะ ผู้บริหารต้องใช้วิจารณญาน การประมาณและข้อสมมติฐานหลายประการ ซึ่งมีผลกระทบต่อการกำหนดนโยบายการบัญชี และการรายงานจำนวนเงินที่เกี่ยวกับ สินทรัพย์ หนี้สิน รายได้ และค่าใช้จ่าย ผลที่เกิดขึ้นจริงอาจแตกต่างจากที่ประมาณไว้

ประมาณการและข้อสมมติฐานที่ใช้ในการจัดทำงบการเงินจะได้รับการทบทวนอย่างต่อเนื่อง การปรับประมาณการทางบัญชีจะบันทึกในปีบัญชีที่ประมาณการดังกล่าวได้รับการทบทวนและในงวดอนาคตที่ได้รับผลกระทบ

3 นโยบายการบัญชีที่สำคัญ

(ก) รายการบัญชีที่เป็นเงินตราต่างประเทศ

รายการบัญชีที่เป็นเงินตราต่างประเทศแปลงค่าเป็นเงินบาท โดยใช้อัตราแลกเปลี่ยน ณ วันที่เกิดรายการ

สินทรัพย์และหนี้สินที่เป็นตัวเงินและเป็นเงินตราต่างประเทศ ณ วันที่ในงบแสดงฐานะการเงิน แปลงค่าเป็นเงินบาทโดยใช้อัตราแลกเปลี่ยน ณ วันนั้น ผลต่างที่เกิดขึ้นจากการแปลงค่าจะรับรู้ในงบกำไรขาดทุน

(ข) เงินสดและรายการเทียบเท่าเงินสด

เงินสดและรายการเทียบเท่าเงินสดประกอบด้วยยอดเงินสดและยอดเงินฝากธนาคารประเภทกระแสรายวัน

x ....

(นายรามาคริสนาน คาลาพาธี แชนคา)

กรรมการ

(ค) ลูกหนี้การค้า

ลูกหนี้การค้าแสดงในราคาตามใบแจ้งหนี้หักประมาณการค่าเผื่อหนี้สงสัยจะสูญ

ค่าเผื่อหนี้สงสัยจะสูญจะพิจารณาจากประวัติการตัดจำหน่ายหนี้สูญและอายุหนี้ของลูกหนี้ ลูกหนี้จะถูกตัดจำหน่ายบัญชีเมื่อทราบว่าเป็นหนี้สูญ

(ง) สินค้าคงเหลือ

สินค้าคงเหลือเป็นสินค้าสำเร็จรูปตีตามราคาทุนหรือมูลค่าสุทธิที่จะได้รับ แล้วแต่มูลค่าใดจะต่ำกว่า ราคาทุนถือตามเกณฑ์ถัวเฉลี่ยถ่วงน้ำหนัก

(จ) อุปกรณ์

อุปกรณ์แสดงด้วยราคาทุนหักค่าเสื่อมราคาสะสมและค่าเผื่อการลดลงของมูลค่า (ถ้ามี)

ค่าเสื่อมราคา

ค่าเสื่อมราคาบันทึกเป็นค่าใช้จ่ายในงบกำไรขาดทุน คำนวณโดยวิธีเส้นตรงตามเกณฑ์อายุการใช้งานโดยประมาณของสินทรัพย์แต่ละรายการ ประมาณการอายุการใช้งานของสินทรัพย์เป็นเวลา 3 - 5 ปี

(ฉ) ประมาณการหนี้สิน

ประมาณการหนี้สินจะรับรู้ก็ต่อเมื่อบริษัทมีภาระหนี้สินตามกฎหมายที่เกิดขึ้นในปัจจุบันหรือที่ก่อตัวขึ้นอันเป็นผลมาจากเหตุการณ์ในอดีต และมีความเป็นไปได้ค่อนข้างแน่นอนว่าประโยชน์เชิงเศรษฐกิจจะต้องถูกจ่ายไปเพื่อชำระภาระหนี้สินดังกล่าว และสามารถประมาณจำนวนภาระหนี้สินได้อย่างน่าเชื่อถือ

ผลประโยชน์พนักงาน

ประมาณการหนี้สินผลประโยชน์ของพนักงานหลังออกจากงานรับรู้ด้วยวิธีประมาณการที่ดีที่สุด ณ วันที่รายงาน

(ช) รายได้

รายได้ที่รับรู้ไม่รวมภาษีมูลค่าเพิ่มและแสดงสุทธิจากส่วนลดการค้า

การให้บริการ

รายได้จากการให้บริการรับรู้เมื่อการให้บริการนั้นเสร็จสิ้นแล้ว

x ....

(นายรามาคริสนาน คาลาพารี แชนคา)

กรรมการ

(ซ) ภาษีเงินได้

ภาษีเงินได้ได้แก่ภาษีที่คาดว่าจะจ่ายชำระโดยคำนวณจากกำไรประจำปี โดยใช้อัตราภาษีที่ประกาศใช้ ณ วันที่ในงบแสดงฐานะการเงิน รับรู้เป็นค่าใช้จ่ายในงบกำไรขาดทุน โดยใช้วิธีภาษีเงินได้ค้างจ่าย ซึ่งแสดงภาระภาษีเงินได้ที่กิจการค้างชำระสุทธิจากภาษีหัก ณ ที่จ่ายบันทึกไว้เป็นหนี้สิน

4 เงินสดและรายการเทียบเท่าเงินสด

	2565	2564
	บาท	บาท
เงินสดในมือ	7,361.00	10,001.00
เงินฝากธนาคารประเภทกระแสรายวัน	2,945,535.40	303,077.73
รวม	2,952,896.40	313,078.73

5 เงินให้กู้ยืมระยะยาวแก่บุคคลที่เกี่ยวข้องกัน

เงินให้กู้ยืมระยะยาวแก่บุคคลที่เกี่ยวข้องกันเป็นเงินให้กู้ยืมแก่กรรมการ ไม่มีการคิดดอกเบี้ยระหว่างกันตั้งแต่ปี 2559 เงินกู้ดังกล่าวไม่ได้ระบุระยะเวลาคืนเงินต้นและไม่มีหลักประกันการกู้ยืม

ยอดคงเหลือเงินให้กู้ยืมประกอบด้วย

	2565	2564
	บาท	บาท
เงินต้น	20,000,000.00	20,000,000.00
ดอกเบี้ยค้างรับ	1,812,450.72	1,812,450.72
รวม	21,812,450.72	21,812,450.72

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(นายรามาคริสนาน คาลาพาธี แชนคา)

กรรมการ

6 อุปกรณ์ - สุทธิ

	บาท			
	1 มกราคม 2565	เพิ่มขึ้น	ลดลง	31 ธันวาคม 2565
ราคาทุน				
คอมพิวเตอร์และอุปกรณ์	4,767,871.94	623,617.75	-	5,391,489.69
เครื่องตกแต่งและติดตั้ง	692,115.00	-	-	692,115.00
รวม	5,459,986.94	623,617.75	-	6,083,604.69
ค่าเสื่อมราคาสะสม				
คอมพิวเตอร์และอุปกรณ์	3,074,672.63	810,869.40	-	3,885,542.03
เครื่องตกแต่งและติดตั้ง	447,240.90	101,668.76	-	548,909.66
รวม	3,521,913.53	912,538.16	-	4,434,451.69
ราคาตามบัญชี	1,938,073.41			1,649,153.00

7 การอนุมัติงบการเงิน

งบการเงินนี้ได้รับอนุมัติจากกรรมการของบริษัทแล้วเมื่อวันที่ 20 เมษายน 2566

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(นายรามาคริสนาน คาลาพาธี แชนคา)

กรรมการ

Digiphoto Entertainment Imaging Co., Ltd - Thailand
Adjustment 2022

	Acc.Code	Acc.Name	Dr.	Cr.
AJE.1	XXX	Dr.Undeductible expenses	31,533.15	
	22500004	Cr.WHT Receivable		31,533.15
		To record expired WHT Receivable year 2019		
			31,533.15	31,533.15

Reclassify 2022

	Acc.Code	Acc.Name	Dr.	Cr.
RJE.1	21800000	Dr.Accounts Receivable-Intercompany	490,324.46	
	CENT-6000	Cr.Accounts Payable Control		490,324.46
		Reclassify DEI Sigapore AR is Showing credit to AP		
RJE.2	41200071	Dr.Labour Charge	276,747.71	
	41200000	Cr.Salary Basic (Ops)		276,747.71
		Reclassify due to error which has taken place during system.		
			767,072.17	767,072.17

DEI
A FAIRFAX Company

Audit Representation Letter - Company - Annual Audit

Tsedeq Accounting and Tax Co.,Ltd.
98/162 Soi Ramkhamphaeng 39,
Wangthonglang, Bangkok 10310

Mr. Suvit Chanamporn

20 April 2023

Dear Sir(s)

Pursuant to your request and in connection with your audits of the annual financial statements of Digiphoto Entertainment Imaging Co.,Ltd., "the financial statements", for the year ended 31 December 2022, we, after making appropriate inquiries and according to the best of our knowledge and belief, submit the following representations in respect of the Company.

General

1. We acknowledge our responsibility for the correctness and completeness of the information presented in the annual financial statements in accordance with generally accepted accounting principles and as required by statute.

2. In selecting the appropriate accounting principles, policies and disclosures for preparation of the annual financial statements, we have considered the substance of the underlying transactions as well as their form. All material and/or contentious issues which management or the directors have discussed in the course of preparing the annual financial statements and the resolution of such issues have been discussed with you.

3. We have established and maintained adequate internal controls to facilitate the preparation of reliable annual financial statements.

4. All financial records and related data have been made available for inspection. All material transactions have been properly recorded in the accounting records underlying the annual financial statements. The accounting records were kept during the period in accordance with mandatory requirements.

5. There have been no irregularities, errors or fraud involving any member of management or other employees that could have a material effect on the annual financial statements.

6. Except as disclosed to you, there have been no:

   - Violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the annual financial statements or as a basis for recording a contingent loss; or

   - Communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.

7. There have been no changes in accounting policies or application of those policies that would have a material effect on the annual financial statements, except as disclosed in the annual financial statements.

8. The annual financial statements are free of material misstatements, including omissions.

Assets

9. There were no deficiencies or encumbrances attaching to the title of the assets of the Company at year end other than those reflected in the annual financial statements.

10. There are no agreements to repurchase assets previously recorded in the accounting records as sold.

Liabilities

11. All liabilities which have arisen or which will arise out of the activities of the Company to the end of the financial year have been included in the annual financial statements.

12. There were no material contractual commitments for capital expenditure at year end not included or disclosed in the annual financial statements.

13. There were no material contingent liabilities, including guarantees and letters of comfort of legal effect, at year end which are not disclosed in the annual financial statements.

Other

14. No events have occurred subsequent to year end which would require adjustment to or disclosure in the annual financial statements.

15. The Company has no plans or intentions that may materially affect the book value or classification of assets and liabilities at year end.

16. All details concerning related party transactions and related amounts receivable or payable (including sales, purchases, loans and guarantees) have been correctly recorded in the accounting records and have been properly disclosed, either where required by statute or where such disclosure is necessary for the fair presentation of the financial statements.

17. Adequate provision has been made for any material loss to be sustained as a result of:

    – the fulfillment of, or from inability to fulfill, any sales commitments; or

    – purchase commitments in excess of normal requirements or at prices in excess of current market prices.

18. Other than as detailed in the annual financial statements, the Company is not aware of any breach or non-compliance with the terms of any contractual arrangements, however caused, which could initiate claims on the company office which would have a material effect on the annual financial statements.

19. The Company has an established procedure whereby an officer reviews, at least annually, the adequacy of insurance cover on all assets and insurable risks. This review has been performed, and where it is considered appropriate, assets and insurable risks of the company are adequately covered by insurance.

20. All matters arising from directors' meetings which impact on the annual financial statements have been adequately disclosed therein.

21. There have been no changes to, or introduction of new, information systems or incidents which occurred during the year which could adversely impact the basic completeness and accuracy of the information systems and underlying data.

22. The Company's financial statements have been presented in accordance with the Notification of the Department of Commercial Registration dated 14 September 2001, issued under the Accounting Act B.E. 2543 (2000), and in conformity with generally accepted accounting principles practiced in Thailand.

23. Incomes taxes

    23.1 Adequate provision has been made to cover income and other taxes and known additional assessments.

    23.2 We would like to confirm the correctness of the information, relating to the company's business, in accordance with the Notification of the Revenue Department relating to the audit and the issuance of the audit report, on the following matters:

    a. The Company did not sell products, render services, or sell properties and other assets, lend money or lease out properties and other assets, without value received or with value received below market that are obviously considered substantial in amount.

b. The Company did not purchase assets; including expenses incurred for the purchase of such assets, and did not pay for services at value above normal prices that are obviously considered substantial in amount.

c. The Company did not record non-existed or excessive value creditors or debtors that are obviously considered substantial in amount.

d. The Company has not suffered net operating losses more than 3 consecutive accounting periods.

e. The Company has withheld and remitted income tax and business tax in accordance with the rule and regulations as required by the Revenue Code.

Yours faith

(Mr. Ramakrishnan Kalapathy Shankar)
Director

DEI - Digiphoto Electronic Repairing LLC
Management Accounts
Balance sheet as at 31.12.2022

			Amt in AED
Nature	**G/L acct**	**Short Text**	**Total**
Liabilities	11100000	Equity Share Cap	300,000
Total Liabilities			**300,000**
Assets	22800000	Receivable Others	300,000
Total Assets			300,000

DEI - Digiphoto Electronic Repairing LLC
Management Accounts
Profit and Loss for the year ended 31.12.2022

Amt in AED

Nature	G/L acct	Short Text	Total
Income			
Revenue from Operations	31100000	Revnenue	-
Total		Revnenue	-
Operational Expenses	41200030	Uniform Exp (Ops)	
	42500001	Post & Cou. Char-Sit	
	42900002	Credit Card Charges	
	42900003	Bank Charges	
	43900000	Un-Realised	
	43900001	Un-Realised	
Total Operational Exp			-
Loss for the year ended			**-**

Financial Statements

Digiphoto SAE
For the year ended 31 December 2022

Contents

Auditor's Report on Separate Financial Statements

Digiphoto SAE

For the year ended 31 December 2022

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 2022 , 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 2021, and its financial performance and its cash flow for the period from 1 January 2021 till 31 December 2021 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: 27 June 2023

Separate Statement of Financial Position

Digiphoto SAE
As at 31 December 2022

	31 DEC 2022	31 DEC 2021
Assets		
Non-Current Assets		
Property, Plant and Equipment	190,873	357,474
Other Non-Current Assets	7,597	-
Total Non-Current Assets	**198,470**	**357,474**
Current Assets		
Cash and Cash Equivalents	709,791	1,857,925
Assets	20,347	-
Prepayments	10,735	431,779
Trade and Other Receivables	3,308,601	1,578,532
Current Tax Asset	584,204	514,979
Inventories	339,707	289,343
Total Current Assets	**4,973,384**	**4,672,558**
Total Assets	**5,171,855**	**5,030,032**
Equity and Liabilities		
Equity		
Share Capital	62,500	62,500
Retained Earnings		
Retained earnings	(4,452,088)	(4,305,191)
Current year earnings	(5,566,440)	(146,897)
Total Retained Earnings	**(10,018,528)**	**(4,452,088)**
Total Equity	**(9,956,028)**	**(4,389,588)**
Liabilities		
Non-Current Liabilities		
Other Non-Current Liabilities	4,301,231	-
Total Non-Current Liabilities	**4,301,231**	**-**
Current Liabilities		
Trade and Other Payables	8,536,052	7,329,583
Current Tax Liability	1,915,747	1,902,499
Other Current Liabilities	374,852	187,537
Total Current Liabilities	**10,826,652**	**9,419,619**
Total Liabilities	**15,127,882**	**9,419,619**
Total Equity and Liabilities	**5,171,855**	**5,030,032**

Separate Statement of Profit or Loss

Digiphoto SAE

For the year ended 31 December 2022

	2022	2021
Revenue		
Sales	7,115,803	5,382,847
Total Revenue	**7,115,803**	**5,382,847**
Cost of Sales		
Cost of Goods Sold	2,663,190	1,361,005
Wages and Salaries	1,578,142	1,197,918
Total Cost of Sales	**4,241,332**	**2,558,922**
Gross Profit	**2,874,471**	**2,823,925**
Expenses		
Administrative Expenses		
Audit fees	100,380	74,690
Insurance	15,387	12,070
Directors, trustees and related party fees	2,081,502	1,606,442
Professional and consulting fees	358,610	270,331
Total Administrative Expenses	**2,555,878**	**1,963,533**
Other Expenses		
Expense		
Bank Fees	37,478	18,475
Cleaning	980	-
Freight & Courier	71,134	-
FX Gain (Loss) Unrealized	4,307,381	(11,480)
General Expenses	41,530	58,542
Head Office	-	19,267
Interest Expense	451	-
Office Expenses	61,100	-
Payroll Tax Settlement	1,966	1,619
Petty Cash Expenses	4,073	-
Printing & Stationery	2,407	-
Provision Expenses	129,762	19,317
Rent	807,713	515,673
Round off pay	(194)	-
Social Insurance Expense - Company Contribution	117,628	73,236
Solidarity Contribution	17,790	20,286
Subscriptions	280	-
Telephone & Internet	11,181	-
Paymob Exp.	8,934	-
Total Expense	**5,621,594**	**714,936**
Depreciation	166,601	292,353
Repairs and maintenance	1,750	-

	2022	2021
Realised foreign currency gains and losses	(90,611)	-
Unrealised foreign currency gains and losses	180,099	-
Travel and accommodation	5,600	-
Total Other Expenses	**5,885,033**	**1,007,288**
Total Expenses	**8,440,911**	**2,970,822**
Profit (Loss) Before Tax	**(5,566,440)**	**(146,897)**
Profit (Loss) for the Period from Continuing Operations	**(5,566,440)**	**(146,897)**
Profit (Loss) for the Period	**(5,566,440)**	**(146,897)**
Total Comprehensive Income for the Period	**(5,566,440)**	**(146,897)**

Separate Statement of Comprehensive Income

Digiphoto SAE
For the year ended 31 December 2022

	2022	2021
Revenue		
Sales	7,115,803.04	5,382,847.27
Total Revenue	**7,115,803.04**	**5,382,847.27**
Cost of Sales		
Cost of Goods Sold	2,663,189.95	1,361,004.65
Wages and Salaries	1,578,142.26	1,197,917.78
Total Cost of Sales	**4,241,332.21**	**2,558,922.43**
Gross Profit	**2,874,470.83**	**2,823,924.84**
Expenses		
Administrative Expenses	2,555,877.95	1,963,533.32
Other Expenses	5,885,033.07	1,007,288.43
Total Expenses	**8,440,911.02**	**2,970,821.75**
Profit (Loss) Before Tax	**(5,566,440.19)**	**(146,896.91)**
Profit (Loss) for the Period from Continuing Operations	**(5,566,440.19)**	**(146,896.91)**
Profit (Loss) for the Period	**(5,566,440.19)**	**(146,896.91)**
Total Comprehensive Income for the Period	**(5,566,440.19)**	**(146,896.91)**

Movements in Equity

Digiphoto SAE

For the year ended 31 December 2022

	2022	2021
Equity		
Opening Balance	(4,389,587.57)	(4,242,690.66)
Increases		
Profit for the Period	(5,566,440.19)	(146,896.91)
Total Increases	**(5,566,440.19)**	**(146,896.91)**
Total Equity	**(9,956,027.76)**	**(4,389,587.57)**

Statement of Cash Flows - Indirect Method

Digiphoto SAE
For the year ended 31 December 2022

	2022	2021
Operating Activities		
Profit after taxation	(5,566,440)	(146,897)
Adjustments for non-cash items		
Depreciation	166,601	292,353
Changes in operating assets and liabilities		
Accounts receivable	(1,730,069)	(82,540)
Inventory	(50,364)	59,628
Other current assets	(69,224)	(73,260)
Accounts payable	1,064,108	582,398
Other current liabilities	155,453	(234,448)
Net cash provided by operating activities	**(6,029,936)**	**397,235**
Investing Activities		
Other cash items from investing activities	393,100	(411,641)
Net cash provided by investing activities	**393,100**	**(411,641)**
Financing Activities		
Other cash items from financing activities	4,308,603	(703)
Net cash provided by financing activities	**4,308,603**	**(703)**
Net Cash Flows	**(1,328,233)**	**(15,109)**
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	1,857,925	1,873,035
Cash and cash equivalents at end of period	709,791	1,857,925
Net change in cash for period	**(1,148,134)**	**(15,109)**

Notes to the Separate Financial Statements

Digiphoto SAE
For the year ended 31 December 2022

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 exécutive 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

For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Transactions with related parties represent transactions with the ultimate shareholders and their associates and subsidiaries

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 at 31 December 2021.

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 have not been inspected yet.

Payroll tax

The company deducted the salaries tax according to tax law no. 91/2005 and 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.

결산보고서

제1기

2022년 03월 15일 부터

2022년 12월 31일 까지

디지포토 엔터테인먼트 이미징코리아 유한회사

776-03-00447
세 무 회 계
더블유(W) 조웅우
서울시 동작구 사당로 297,
3층(사당동)
서비스업외 세무사업외

목　　　차

776-03-00447
세 무 회 계
더블유(W)　　조용우
서울시 동작구 사당로 297,
3층(사당동)
서비스업외　　세무사업외

776-03-00447
세 무 회 계
더 블 유(W) 조윤우
서울시 동작구 사당로 297,
3층(사당동)
서비스업외 세무사업외

재 무 상 태 표

제 1기 2022년 12월 31일 현재

회사명 :디지포토 엔터테인먼트 이미징코리아 유한회사 (단위 :원)

과 목	제 1(당)기			
	금 액		금 액	
자 산				
Ⅰ.유 동 자 산		646,721,238		
① 당 좌 자 산		467,847,472		
현 금		4,399,554		
보 통 예 금		137,522,101		
외 상 매 출 금		106,227,690		
선 급 금		203,771,301		
선 급 비 용		15,926,826		
② 재 고 자 산		178,873,766		
원 재 료		178,873,766		
Ⅱ.비 유 동 자 산		89,366,189		
① 투 자 자 산				
② 유 형 자 산		89,356,949		
기 계 장 치	105,473,383			
감 가 상 각 누 계 액	16,821,843	88,651,540		
비 품	846,491			
감 가 상 각 누 계 액	141,082	705,409		
③ 무 형 자 산				
④ 기 타 비 유 동 자 산		9,240		
기 타 보 증 금		9,240		
자 산 총 계		736,087,427		
부 채				
Ⅰ.유 동 부 채		852,882,484		
외 상 매 입 금		646,853,749		
미 지 급 금		137,429,638		
미 지 급 비 용		68,599,097		
Ⅱ.비 유 동 부 채				
부 채 총 계		852,882,484		
자 본				
Ⅰ.자 본 금		240,000,000		
자 본 금		240,000,000		
Ⅱ.자 본 잉 여 금				
Ⅲ.자 본 조 정				
Ⅳ.기 타 포 괄 손 익 누 계 액				
Ⅴ.결 손 금		356,795,057		

776-03-00447
세 무 회 계
더블유(W) 조융우
서울시 동작구 사당로 297,
3층(사당동)
서비스업외 세무사업외

재 무 상 태 표

제 1기 2022년 12월 31일 현재

회사명 :디지포토 엔터테인먼트 이미징코리아 유한회사 (단위 :원)

과 목	제 1(당)기			
	금 액		금 액	
미 처 리 결 손 금		356,795,057		
(당 기 순 손 실)				
당기 : 356,795,057				
전기 : 0				
자 본 총 계		-116,795,057		
부 채 와 자 본 총 계		736,087,427		

776-03-00447
세무회계
더블유(W) 조융우
서울시 동작구 사당로 297,
3층(사당동)
서비스업외 세무사업외

손 익 계 산 서

제 1기 2022년 03월 15일부터 2022년 12월 31일까지

회사명 :디지포토 엔터테인먼트 이미징코리아 유한회사 (단위 :원)

과 목	제 1당기			
	금 액		금 액	
Ⅰ.매 출 액		699,394,767		
서 비 스 매 출	699,394,767			
Ⅱ.매 출 원 가		109,134,638		
상 품 매 출 원 가		109,134,638		
기 초 상 품 재 고 액				
당 기 상 품 매 입 액				
기 말 상 품 재 고 액				
Ⅲ.매 출 총 이 익		590,260,129		
Ⅳ.판 매 비 와 관 리 비		957,269,339		
직 원 급 여	638,498,038			
복 리 후 생 비	54,716,853			
여 비 교 통 비	49,063,866			
통 신 비	4,439,458			
전 력 비	490,000			
세 금 과 공 과 금	62,500			
감 가 상 각 비	16,962,925			
임 차 료	8,735,048			
교 육 훈 련 비	127,444,675			
도 서 인 쇄 비	7,905,726			
소 모 품 비	12,450,047			
수 수 료 비 용	29,235,199			
잡 비	7,265,004			
Ⅴ.영 업 손 실		367,009,210		
Ⅵ.영 업 외 수 익		10,883,602		
외 환 차 익	10,883,602			
Ⅶ.영 업 외 비 용		669,449		
외 환 차 손	669,449			
Ⅷ.법 인 세 차 감 전 손 실		356,795,057		
Ⅸ.법 인 세 등				
Ⅹ.당 기 순 손 실		356,795,057		

결손금처리계산서

776-03-00447
세무회계 더블유(W) 조윤우
서울시 동작구 사당로 297, 3층(사당동)
서비스업외 세무사업외

제 1(당)기 2022년 03월 15일부터
2022년 12월 31일까지
처분예정일 2023년 03월 31일

회사명 :디지포토 엔터테인먼트 이미징코리아 유한회사 (단위 :원)

과목	제 1(당)기			
	금액		금액	
I .미처리결손금		356,795,057		0
1.전기이월미처분결손금	0		0	
2.회계변경의 누적효과	0		0	
3.전기오류수정이익	0		0	
4.전기오류수정손실	0		0	
5.중간배당금	0		0	
6.당기순손실	356,795,057		0	
II .결손금 처리액		0		0
1.임의적립금 이입액	0		0	
2.그밖의 법정적립금 이입액	0		0	
3.이익준비금 이입액	0		0	
4.재평가적립금 이입액	0		0	
5.자본준비금 이입액	0		0	
III .이익잉여금처분액		0		0
1.이익준비금	0		0	
2.재무구조개선적립금	0		0	
3.주식할인발행차금상각액	0		0	
4.배당금	0		0	
가 .현금배당	0		0	
주당배당금 (률)	0		0	
	0		0	
나 .주식배당	0		0	
주당배당금 (률)	0		0	
	0		0	
5.사업확장적립금	0		0	
6.감채적립금	0		0	
7.배당평균적립금	0		0	
IV .차기이월미처리결손금		356,795,057		0

Gulf Dunes LLC

Financial statements
31 December 2022

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 2022.

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 2022 and 31st December 2021 are stated below:

Financial highlights	**2022** **OMR**	2021 OMR
Net profit/(loss)	**19,088**	(10,195)
Total equity	**104,212**	85,124

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 2023 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 2023.

On behalf of the Board

Salim Sikander
Chief financial officer

Peter Payet
Chief executive officer

Date: 29 April 2023

KPMG LLC
Children's Public Library Building
4th Floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
Tel. +968 24 749600, www.kpmg.com/om

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, 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant 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, 2022, and its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS 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.

CR No. 1358131
Tax Card No. 8063052

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 Standards, and their preparation in compliance with the applicable provisions of the Commercial Company 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 Commercial Companies Law of 2019 except for amendment of the constitutional documents which has not been completed within the stipulated time period as specified in the Commercial Companies Law of 2019.

KPMG

29 April 2023

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

Gulf Dunes LLC

Statement of profit or loss and other comprehensive income
For the year ended 31 December

	Notes	**2022 OMR**	2021 OMR
Revenue	*5*	**152,484**	7,880
Direct costs	*6*	**(119,061)**	(478)
Gross profit		**33,423**	7,402
Administrative and general expenses	*7*	**(14,335)**	(17,597)
Profit/(Loss) before tax		**19,088**	(10,195)
Tax expense	*16*	**-**	-
Profit/(Loss) for the year		**19,088**	(10,195)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**19,088**	(10,195)

The notes on pages 9 to 27 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 2022

	Notes	**2022 OMR**	2021 OMR
Assets			
Trade and other receivables	*8*	**8,273**	6,008
Due from a related party	*9*	**140,032**	92,211
Cash at bank	*14*	**5,363**	686
Current assets		**153,668**	98,905
Total assets		**153,668**	98,905
Equity and liabilities			
Equity			
Share capital	*12*	**150,000**	150,000
Statutory reserve	*13*	**5,201**	3,292
Accumulated losses		**(50,989)**	(68,168)
Total equity		**104,212**	85,124
Liabilities			
Employees' end of service benefits	*11*	**-**	1,018
Non-current liability		**-**	1,018
Trade and other payables	*10*	**21,789**	12,763
Due to a related party	*9*	**27,667**	-
Current liabilities		**49,456**	12,763
Total liabilities		**49,456**	13,781
Total equity and liabilities		**153,668**	98,905

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 2022.

These financial statements were authorized for issue on behalf of the Company's Directors on 29 April 2023:

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

The notes on pages 9 to 27 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 2022

	Notes	**2022 OMR**	2021 OMR
Cash flows from operating activities			
Profit/(Loss) for the year		**19,088**	(10,195)
Adjustments for:			
Charge for employees' end of service benefits	*11*	**-**	731
Tax credit	*16*	**-**	-
		19,088	(9,464)
Changes in:			
- trade and other receivables		**(2,266)**	(2,682)
- due from related parties		**(47,820)**	29,788
- trade and other payables		**9,026**	(22,040)
- due to related parties		**27,667**	(112)
Payments of employees' end of service benefits	*11*	**(1,018)**	-
Net cash from/(used in) operating activities		**4,677**	(4,510)
Net increase/(decrease) in cash and cash equivalents		**4,677**	(4,510)
Cash and cash equivalents at beginning of the year		**686**	5,196
Cash and cash equivalents at end of the year	*14*	**5,363**	686

The notes on pages 9 to 27 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 2022

	Share Capital	Statutory reserve	Accumulated Profit/losses	Total
	OMR	**OMR**	**OMR**	**OMR**
At 1 January 2021	150,000	3,292	(57,973)	95,319
Loss for the year	-	-	(10,195)	(10,195)
At 31 December 2021	**150,000**	**3,292**	**(68,168)**	**85,124**
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**

The notes on pages 9 to 27 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 except for amendment of the constitutional documents which has not been complied with within the stipulated time period. The Company, however, has stated that it is in the process of undertaking required steps to comply with the requirement of applicable laws.

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.

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 19.

3 Significant accounting policies

The Company has consistently applied the accounting policies set out below to all periods presented in these financial statements.

3 Significant 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 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.

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 Significant 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.

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 Significant 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 Significant 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 Significant 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 Significant 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 Significant 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 Significant 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

The following are the new currently effective requirements for annual periods beginning on 1 January 2022, which did not have a significant impact of the Company's financial statements:

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37) (1 January 2022).
- Annual improvements to IFRS Standards 2018 – 2020 (1 January 2022)
- Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16) (1 January 2022).
- Reference to the Conceptual Framework (Amendments to IFRS 3) (1 January 2022).

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

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)	1 January 2023
IFRS 17 Insurance Contracts and amendments to 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 Estimate (Amendments to IAS 8)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16): Transition, effective date and due process (Agenda Paper 12C)	1 January 2024

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.

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.

4 Financial risk management *(continued)*

Market risk ***(continued)***

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.

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 1974, as amended.

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.

	2022 AED	2021 AED
Tourism and related services	**152,484**	7,880
	152,484	7,880
Geographical markets		
Oman	**152,484**	7,880
Timing of revenue recognition		
Revenue recognized at a point in time	**152,484**	7,880

6 Direct costs

Direct costs comprise hotel bookings, transport, visa, excursions and travel related services.

	2022 AED	2021 AED
Tourism and related services	**119,061**	478
	119,061	478

7 Administrative and general expenses

	2022 OMR	2021 OMR
Staff salaries and benefits	**7,086**	9,532
Sponsorship fees	**5,343**	5,348
Legal and professional charges	**1,820**	2,463
Business promotion	**36**	-
Miscellaneous expenses	**50**	254
	14,335	17,597

The staff salaries and benefits comprise:

	2022 OMR	2021 OMR
Salaries and other related benefits	**7,086**	8,801
Employees' end of service benefits	**-**	731
	7,086	9,532

8 Trade and other receivables

	2022 OMR	2021 OMR
Prepayments	**6,173**	6,007
Accrued commission income	**1,865**	-
Advance to supplier	**235**	-
	8,273	6,007

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. Significant related party transactions during the year ended 31 December 2022 were as follows:

Transactions with related parties

	2022	2021
	OMR	OMR
Services received	**-**	-

Due from a related party

	2022	2021
	OMR	OMR
Gulf Dunes LLC, Dubai	**140,032**	88,662
Desert Adventures Oman Office	**-**	3,549
	140,032	92,211

Due to a related party

	2022	2021
	OMR	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

	2022	2021
	OMR	OMR
Advance from customers	**15,677**	10,943
VAT payable	**3,170**	-
Trade Payables	**1,972**	-
Accruals and other payables	**970**	1,820
	21,789	12,763

11 Employees' end of service benefits

	2022 OMR	2021 OMR
Balance at 01 January	**1,018**	287
Charge for the year	**-**	731
Payments made during the year	**(1,018)**	-
Balance at 31 December	**-**	1,018

12 Share capital

	2022 OMR	2021 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, 10% of the net profit of the company i.e. OMR 1,909 is transfer to reserves (2021: AED Nil).

14 Cash at bank

	2022 OMR	2021 OMR
Cash at bank	**5,363**	686

15 Contingent liabilities and capital commitment

The Company had Nil contingent liabilities and capital commitment as at 31 December 2022 (*2021: 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.

	2022 OMR	2021 OMR
Current year	-	-
Prior years	-	-
Total tax	-	-

Movement of provision for taxation

	2022 OMR	2021 OMR
At 1 January	-	-
Provision during the year	-	-
Reversals during the year	-	-
At 31 December	-	-

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:

	2022 OMR	2021 OMR
Profit for the year	**19,088**	(10,195)
Income tax as per rates mentioned above	**2,863**	(1,529)
Non-deductible expenses	**1,046**	969
Deferred tax not recognized for prior period	**(3,909)**	560
Tax expense for the year	-	-

c) Status of the tax assessments

The assessment of the Company has been completed and agreed upto the Tax Year 2018. 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 2021 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:

	2022 OMR	2021 OMR
Trade and other receivables (excluding prepayments and advances to suppliers)	**1,865**	-
Cash at bank	**5,363**	686
Due from a related party	**140,031**	92,211
	147,259	92,897

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 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)

31 December 2021	Carrying amount OMR	Contractual cashflows OMR	1 year or less OMR
Non derivative financial liabilities			
Trade and other payables	1,820	(1,820)	(1,820)
Due to a related party	-	-	-
	1,820	(1,820)	(1,820)

*(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 2022, there are no financial instruments carried at fair value by valuation method. Accordingly, fair value hierarchy disclosures are not applicable.

19 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 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.

19 Use of judgments and estimates (continued)

(b) Depreciation method, useful life and residual values of property and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property and equipment and no adjustment to the residual lives and remaining useful lives of the assets was considered necessary for the current year.

(c) Revenue recognition timing

Revenue from hotel accommodation (both separate and sold as part of tour package) is recognized when the control is transferred to the customer. The customer gets the control when all the tour related vouchers and travel tickets are issued to them. As per the general practice, the Company issues all the vouchers and travel tickets to the Customer at time of travel of the tour. Hence, the Company fully transfers control of the promised services to the customer once all the vouchers and tickets are issued to the customer at time of travel.

(d) Tour Package as single performance obligation

To assess whether the contract contains single performance obligation or multiple performance obligation requires judgment. For sale of tours packages, the promised services within tour packages in nature of hotel accommodation, visas, transfers, meet and greet and excursions, though capable of being distinct are not distinct within the context of the contract.

The objective when assessing whether an entity's promises to transfer goods or services are distinct within the context of the contract is to determine whether the nature of the promise is to transfer each of those goods or services individually, or whether the promise is to transfer a combined item or items to which the promised goods or services are inputs. In sale of tour packages as the obligation is to provide all the services together to the customer hence there is only one single performance obligation.

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 Impact of Global Events

(a) COVID-19:

In 2020, the World Health Organization ("WHO") announced a global health emergency because of coronavirus (the "COVID- 19 Outbreak") and classified the outbreak as a pandemic. Compared to 2020 wherein the pandemic had impacted adversely, in the current and prior year, there has been a significant improvement in operating results of the Company across key segments and geographies as the impact of pandemic started to ease in markets. Although the global economic situation with relation to COVID-19 remains fluid and will be determined by factors that continue to evolve, such as resurgence of variants, success of support measures introduced by governments and the effectiveness of public policies intended to contain the spread, the Company's management continues to evaluate the situation for any adverse impact.

23 Impact of Global Events (continued)

(b) *Inflation and Global Central Banks Tightening Programs:*

The global economic outlook deteriorated throughout 2022 amid high inflation, monetary tightening from central banks and uncertainties from both conflict in Ukraine and the lingering pandemic. Central Banks across borrowing costs, slowdown in growth and large capital outflows have exacerbated fiscal and balance of payments pressures in a number of developing.

(c) *Russia-Ukraine Conflict and impact of Geo-political situation in Common Wealth of Independent States (CIS)*

The current ongoing conflict between Russia-Ukraine has triggered global economic disruption and has, amongst other impacts, led to increased volatility in global financial markets and commodity prices due to disruption of supply chain. Also, the conflict is taking a toll on the global tourism economy, disrupting normal travel patterns and spending, and some countries are destined to take more of the impact than others. Further, the Geo-political situation in CIS countries has resulted in sanctions on some CIS countries related to Trade and finance which has resulted in a reduction of business from these countries. However, as per management's assessment, the conflict and sanctions does not have a material impact to the Company's financial statements.

24 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization on 29 April 2023, which would have a material effect on the financial statements.

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 2022.

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

During the year, the UAE Government amended the federal Commercial Companies Law, granting foreign investors full ownership of specific businesses. In accordance, on 02 August 2022, the Company has changed the shareholding pattern, Abdulaziz Ahmad Abdulaziz Abdulla Almannei has sold his 51% shares to Travel Circle International (Mauritius) Limited making it a Single Owner Company holding 100% shares.

Before 02 August 2022, the Company's 49% shares were held by Travel Circle International (Mauritius) LTD ("the Shareholders") and 51% shared were held by Abdulaziz Ahmad Abdulaziz Abdulla Almannei.

During the period, Abdulaziz Ahmad Abdulaziz Abdulla Almannei have not taken part in the operational and financial management of the Company.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2022 and 31st December 2021 are stated below:

Financial highlights	**2022** **AED**	2021 AED
Net profit/(loss)	**59,269**	(350,612)
Total equity	**(5,083,965)**	(5,143,234)

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 2023 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 2023.

On behalf of the Board

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

Date: 26 June 2023

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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 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant 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 2022, and its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS 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 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 2022:

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 2022;

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 2022 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2022.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 26 JUN 2023

Gulf Dunes LLC

Statement of profit or loss and other comprehensive income

For the year ended 31 December

	Notes	**2022**	2021
		AED	AED
Revenue	*6*	**17,249,627**	7,370,135
Direct costs	*7*	**(13,880,434)**	(5,712,704)
Gross profit		**3,369,193**	1,657,431
Administrative and general expenses	*8.1*	**(3,385,661)**	(2,071,967)
Other income	*8.2*	**-**	24,021
Finance income	*9*	**75,737**	39,903
Profit/(Loss) for the year		**59,269**	(350,612)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**59,269**	(350,612)

The notes on pages 10 to 29 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 2022

	Notes	**2022**	2021
		AED	AED
Assets			
Property and equipment	*10*	**9,774**	8,292
Right-of-use asset		**-**	67,486
Non-current assets		**9,774**	75,778
Trade and other receivables	*11*	**1,252,285**	1,837,873
Cash and cash equivalents	*17*	**516,249**	245,430
Current assets		**1,768,534**	2,083,303
Total assets		**1,778,308**	2,159,081
Equity and Liabilities			
Equity			
Share capital	*15*	**300,000**	300,000
Statutory reserve	*16*	**150,000**	150,000
Accumulated losses		**(5,533,965)**	(5,593,234)
Total equity		**(5,083,965)**	(5,143,234)
Liabilities			
Employees' end of service benefits	*14*	**147,727**	193,765
Non-current liabilities		**147,727**	193,765
Trade and other payables	*13*	**1,853,660**	2,249,902
Due to related parties	*12*	**4,860,886**	4,819,832
Lease liability – current		**-**	38,816
Current liabilities		**6,714,546**	7,108,550
Total liabilities		**6,862,273**	7,302,315
Total equity and liabilities		**1,778,308**	2,159,081

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 2022.

These financial statements were authorized for issue on behalf of the Company's shareholders on 26 June 2023.

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

The notes on pages 10 to 29 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	**2022**	2021
		AED	AED
Cash flows from operating activities			
Profit/(Loss) for the year		**59,269**	(350,612)
Adjustments for:			
Depreciation and amortization	*10*	**7,509**	11,190
Depreciation on right-of-use assets	*8.1*	**67,486**	67,476
Gain on sale of property and equipment	*8.2*	**-**	(7,620)
Allowance for expected credit loss	*8.1*	**10,382**	1,000
Provision for employees' end of service benefits	*14*	**61,412**	32,656
Interest expense on lease liability	*9*	**210**	2,285
		----------	----------
		206,268	(243,625)
Changes in:			
- trade and other receivables		**575,206**	(1,258,394)
- due to related parties		**41,054**	420,314
- trade and other payables		**(396,242)**	1,083,984
Payment of employees' end of service benefits	*14*	**(107,450)**	(151,770)
		-----------	-----------
Net cash from / (used in) operating activities		**318,836**	(149,491)
		-----------	-----------
Cash flows from investing activity			
Acquisition of property and equipment	*10*	**(8,991)**	-
Proceeds from sale of property and equipment		**-**	7,620
		-------	-------
Net cash (used in) / from investing activity		**(8,991)**	7,620
		-------	-------
Cash flows from financing activity			
Interest paid during the year		**-**	(2,285)
Payment of lease liabilities		**(39,026)**	(75,765)
		---------	---------
Cash used in financing activity		**(38,816)**	(78,050)
		---------	---------
Net decrease in cash and cash equivalents		**270,819**	(219,921)
Cash and cash equivalents at the beginning of the year		**245,430**	465,351
		----------	----------
Cash and cash equivalents at end of the year	*17*	**516,249**	245,430
		======	======

The notes on pages 10 to 29 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 2021	300,000	150,000	(5,242,622)	(4,792,622)
Total comprehensive income for the year				
Loss for the year	-	-	(350,612)	(350,612)
Balance at 31 December 2021	300,000	150,000	(5,593,234)	(5,143,234)
Balance 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)**

The notes on pages 10 to 29 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 Economic Development, Government of Dubai. The principle business activity of the Company is organizing and managing incentive trips, conferences and meetings for groups.

During the year, the UAE Government amended the federal Commercial Companies Law, granting foreign investors full ownership of specific businesses. In accordance, on 02 August 2022, the Company has changed the shareholding pattern, Abdulaziz Ahmad Abdulaziz Abdulla Almannei has sold his 51% shares to Travel Circle International (Mauritius) Limited making it a Single Owner Company holding 100% shares.

Before 02 August 2022, the Company's 49% shares were held by Travel Circle International (Mauritius) LTD (“the Holding company”) and 51% shared were held by Abdulaziz Ahmad Abdulaziz Abdulla Almannei.

During the period, Abdulaziz Ahmad Abdulaziz Abdulla Almannei have not taken part in the operational and financial management of the Company.

The ultimate parent 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 2022, the Company reported a net profit of AED 59,269 (2021: Loss of AED 350,612), net current liabilities of AED 4,946,012 (2021: AED 5,025,247) and net liabilities of AED 5,083,965 (2021: AED 5,143,234). As at 31 December 2022, the accumulated losses of the Company, amounted to AED 5,533,965 (2021: AED 5,593,234), 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.

2 Basis of preparation (continued)

d) Functional and presentation currency

These financial statements are presented in UAE Dirham ("AED"), which is the Company's functional currency.

e) Use of estimates and judgments (continued)

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 21.

3 Significant accounting policies

The following accounting policies, which comply with IFRS, have been applied consistently to all periods presented in these financial statements, except to the adoption of new standards and amendments described above.

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.

3 Significant accounting policies (continued)

Financial instruments (continued)

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.

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 Significant 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, 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.

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.

3 Significant accounting policies (continued)

Property and equipment (continued)

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.

Intangible assets

Intangible assets that are acquired by the Company have finite useful lives and are measured at cost less accumulated amortization and accumulated impairment losses, if any. Where the payment term is deferred, the cost of the intangible asset is the cash price equivalent, which is the discounted amount of cash over the payment term.

Company's intangibles comprise of license of accounting software (SAGE) and license for contract management tool (Meeting box).

S*ubsequent expenditure*
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

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 useful life for the intangible assets for the current and comparative period is estimated to be 3 years. Amortization 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.

3 Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

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.

3 Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

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.

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.

3 Significant accounting policies (continued)

Impairment (continued)

Financial assets measured at amortized cost (continued)

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.

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.

3 Significant accounting policies (continued)

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.

4 UAE Corporate tax law

On 9 December 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 has become effective for accounting periods beginning on or after 1 June 2023.

As at 31 December 2022, the Law was not considered to be substantively enacted from the perspective of IAS 12 – Income Taxes since the threshold of income over which the 9% tax rate would apply and other clarifications were yet to prescribed by way of Cabinet Decisions.

The Cabinet of Ministers Decision No. 116/2022 effective from 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 [and a rate of 0% on qualifying income of free zone entities].

The Company is currently in the process of assessing the impact on the financial statements, both from current and deferred tax perspective.

4.1 New standards or amendments and forthcoming requirements

The following are the new currently effective requirements for annual periods beginning on 1 January 2022, which did not have a significant impact of the Company's financial statements:

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37) (1 January 2022).
- Annual improvements to IFRS Standards 2018 – 2020 (1 January 2022)

4.1 New standards or amendments and forthcoming requirements (continued)

- Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16) (1 January 2022).
- Reference to the Conceptual Framework (Amendments to IFRS 3) (1 January 2022).

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

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)	1 January 2023
IFRS 17 Insurance Contracts and amendments to 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 Estimate (Amendments to IAS 8)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16): Transition, effective date and due process (Agenda Paper 12C)	1 January 2024

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 19 of these financial statements.

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.

5 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 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.

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.

5 Financial risk management *(Continued)*

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

	2022 **AED**	2021 AED
Staff salaries and benefits	**2,230,657**	1,462,584
Overseas representative office charges	**460,875**	212,294
Business promotion expenses	**239,949**	100,775
Legal and professional charges	**121,608**	73,248
Depreciation on right-of-use assets	**67,486**	67,476
Sponsorship fees	**59,001**	36,000
Bank charges	**28,087**	21,706
Communication expense	**24,581**	14,811
Allowance for expected credit loss	**10,382**	1,000
Rent expense	**9,374**	12,919
Depreciation	**7,509**	11,190
Other expenses	**126,152**	57,964
	3,385,661	2,071,967

8.2 Other income

	2022 **AED**	2021 AED
Gain on sale of property and equipment	-	7,620
Other Income	-	16,401
	-	24,021

9 Finance income

	2022 AED	2021 AED
Foreign exchange gain	**75,947**	42,188
Interest expense on lease liability	**(210)**	(2,285)
	75,737	39,903

10 Property and equipment

	Motor vehicles AED	Furniture, fixtures and office equipment AED	Leasehold improvements AED	Total AED
Cost				
Balance at 1 January 2021	47,250	250,739	25,000	322,989
Disposal during the year	(47,250)	-	-	(47,250)
Balance as at 31 December 2021	-	250,739	25,000	275,739
Balance as at 1 January 2022	-	250,739	25,000	275,739
Addition during the year	-	8,991	-	8,991
Balance as at 31 December 2022	**-**	**259,730**	**25,000**	**284,730**
Depreciation				
Balance at 1 January 2021	47,250	231,257	25,000	303,507
Disposal during the year	(47,250)	-	-	(47,250)
Charge for the year		11,190	-	11,190
Balance as at 31 December 2021	-	242,447	25,000	267,447
Balance as 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**
Net book value				
At 31 December 2022	**-**	**9,774**	**-**	**9,774**
At 31 December 2021	-	8,292	-	8,292

11 Trade and other receivables

	2022 AED	2021 AED
Trade receivables	**773,362**	730,933
Provision for impairment loss on trade receivables	**(23,574)**	(13,192)
	749,788	717,741
Prepayments	**92,460**	120,406
Deposits and other receivables	**294,033**	254,586
Advances to suppliers & others	**116,004**	745,140
	1,252,285	1,837,873

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. Significant related party transactions during the year ended 31 December 2022 were as follows:

Significant transactions entered with related parties during the year were:

	2022 AED	2021 AED
Key management personnel compensation		
Short term employee benefits	**622,458**	346,270
Post-employment benefits	**26,359**	19,485

Due to related parties

	2022 AED	2021 AED
Gulf Dunes Tourism LLC – Oman	**1,335,635**	845,876
Desert Adventures Tourism LLC	**3,525,251**	3,973,956
	4,860,886	4,819,832

13 Trade and other payables

	2022 AED	2021 AED
Trade payables	**842,007**	703,167
Accruals and other payables	**627,868**	421,890
Advances from customers	**383,785**	1,124,845
	1,853,660	2,249,902

14 Employees' end of service benefits

	2022 AED	2021 AED
Balance at 01 January	**193,765**	312,879
Provision during the year	**61,412**	32,656
Payments made during the year	**(107,450)**	(151,770)
Balance at 31 December	**147,727**	193,765

15 Share capital

	2022 AED	2021 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 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 (2021: AED Nil).

17 Cash and cash equivalents

	2022 AED	2021 AED
Cash in hand	**20,026**	22,978
Cash at bank	**496,223**	222,452
	516,249	245,430

18 Contingencies and commitments

There are no capital commitments and contingent liabilities of the Company as at 31 December 2022 (31 December 2021: AED Nil).

19 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:

	2022 AED	2021 AED
Trade and other receivables (excluding prepayments and advances to suppliers)	**1,043,821**	972,327
Cash at bank	**496,223**	222,452
	1,540,044	1,194,779

The aging of trade receivables at the reporting date was:

	31 December 2022		31 December 2021	
	Gross AED	**Provision AED**	Gross AED	Provision AED
Not due	**749,788**	-	717,741	-
0-30 days past due	-	-	-	-
31-90 days past due	-	-	-	-
Over 90 days past due	**23,574**	**23,574**	13,192	(13,192)
	773,362	**23,574**	730,933	(13,192)

The movement in the impairment loss for trade receivables is as follows:

	2022 AED	2021 AED
At 1 January	**13,192**	12,192
Impairment loss recognized during the year	**10,382**	1,000
At 31 December	**23,574**	13,192

19 Financial instruments *(continued)*

Credit risk *(continued)*

At 31 December 2022, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Carrying amount 2022 AED	Carrying amount 2021 AED
Geographical regions		
Europe	**27,059**	367,501
Commonwealth of Independent States	**412,969**	235,503
Middle east and others	**333,334**	127,929
Grand total	**773,362**	730,933

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 liability based on contractual undiscounted payments including interest payment and excluding impact of netting:

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)**	**-**

19 Financial instruments *(continued)*

Liquidity risk (continued)

31 December 2021

	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)	1,125,057	(1,125,057)	(1,125,057)	-
Due to related parties	4,819,832	(4,819,832)	(4,819,832)	-
Lease liability	38,816	(38,816)	(38,816)	-
	5,983,705	(5,983,705)	(5,983,705)	-

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.

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 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.

21 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.

21 Significant accounting estimates and judgments *(continued)*

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.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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 Impact of Global Events

(a) COVID-19:

In 2020, the World Health Organization ("WHO") announced a global health emergency because of coronavirus (the "COVID- 19 Outbreak") and classified the outbreak as a pandemic. Compared to 2020 wherein the pandemic had impacted adversely, in the current and prior year, there has been a

23 Impact of Global Events (continued)

(a) COVID-19 (continued):

significant improvement in operating results of the Company across key segments and geographies as the impact of pandemic started to ease in markets. Although the global economic situation with relation to COVID-19 remains fluid and will be determined by factors that continue to evolve, such as resurgence of variants, success of support measures introduced by governments and the effectiveness of public policies intended to contain the spread, the Company's management continues to evaluate the situation for any adverse impact.

(b) Inflation and Global Central Banks Tightening Programs:

The global economic outlook deteriorated throughout 2022 amid high inflation, monetary tightening from central banks and uncertainties from both conflict in Ukraine and the lingering pandemic. Central Banks across most economies responded by increasing interest rates, resulting in slowdown in growth. The rising government borrowing costs, slowdown in growth and large capital outflows have exacerbated fiscal and balance of payments pressures in a number of developing.

As a consequence, the Company's financial statements for the year have been impacted by increase in interest rate resulting into higher finance cost as compared to previous year.

(c) Russia-Ukraine Conflict and impact of Geo-political situation in Common Wealth of Independent States (CIS)

The current ongoing conflict between Russia-Ukraine has triggered global economic disruption and has, amongst other impacts, led to increased volatility in global financial markets and commodity prices due to disruption of supply chain. Also, the conflict is taking a toll on the global tourism economy, disrupting normal travel patterns and spending, and some countries are destined to take more of the impact than others. Further, the Geo-political situation in CIS countries has resulted in sanctions on some CIS countries related to Trade and finance which has resulted in a reduction of business from these countries. However, as per management's assessment, the conflict and sanctions does not have a material impact to the Company's financial statements.

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.

DEI Indonesia
Management Accounts
Balancesheet as on 31st Dec'22

Nature	Acc Group	Acc Group Desc	G/L acct	GL Desc	Total
Assets	211	211-Property Plant and Equipment	21100010	Computers & Printers	7,013,516,629.95
			21100012	Accu D. Comp & Print	- 3,991,924,400.83
			21100015	Furniture & Fixture	1,118,103,912.14
			21100016	Accu D. Fur & Fixtur	- 684,128,498.44
			21100024	Accu D. Comp & Print	- 1,007,764,994.98
			21100025	Accu D. Fur & Fixtur	- 174,131,854.18
	216	216-Deferred Tax Assets	21600000	Deferred Tax Assets	- 289,880,460.26
	217	217-Inventory	21700000	Inventory Material	2,787,186,501.84
			21700005	Goods in Transit	118,306,397.39
			21700006	Inventory Prov for S	- 382,476,718.34
			21700007	Prov for Stk (Man)	65,228,279.61
	218	218-Trade receivables-Unsecured Current	21800000	A/C Rec- inter com	9,695,244,927.16
			21800001	A/C Rec. - R. Partie	658,464.00
			21800005	Credit Card Control	172,615,000.02
			21800011	Retail Customer	3,992,281,640.24
			21800015	Customer Balance Rev	- 8,710,264.41
	219	219-Security deposits	21900001	Sec D.P - Rental D.	8,000,000.00
	220	220-Balances with Government authorities-Current	22000032	VAT Input	3,860,796,991.17
	221	221-Prepaid Expenses	22100000	Prepaid Expenses	5,747,335.93
	222	222-Cash and Cash Equivalents	22200000	Petty Cash	29,894,891.20
			22200003	Tender Float	3,700,000.00
			22200005	Cash Control A/C	62,535,000.23
	223	223-Bank Balance in Current Account	22300110	HSBC Main-068	1,995,509,306.00
			22300120	BCA Main	1,871,292,722.44
	224	224-Loans and Advances Given	22400004	Shareholders Loan	6,440,367,050.00
			22400011	Advance To Vendor	3,736,794,083.91
			22400036	Recharge I/C DEI Sin	0.40
			22400051	Recharge I/C DEI Oth	58,000.00
			22400064	Recharge I/C DEI Mal	958,303.00
	225	225-Advance Tax	22500004	WHT Receivable	47,992,480.71
	226	226-Right of Use Assets	22600001	Gross-USE A/B	181,651,877.70
			22600009	Accu Dep- Use A - B	- 140,747,173.98
Assets Total					**36,528,675,429.62**
Liabilities	111	111-Shareholder's Equity	11100000	Equity Share Cap	- 5,672,306,900.00
	112	112-Reserve and Surplus	11200003	OCI-Emply Bnft Rsvr	- 142,307,250.22
			11200006	Retained Earnings	- 5,655,294,101.77
	113	113-Loans and Advances-Long Term Loan-Secured	11300005	Loan From Jafza	4,701,750,000.00
	117	117-Deferred Tax Liability	11700000	Deferred Tax Liab	325,228,751.00
	118	118-Accounts Payable Control	11800001	Vendor - Services	- 501,360,743.00
			11800002	Vendor domestic(inv)	- 1,231,734,647.53
			11800003	Vendor-Import(inv)	- 17,963,891,113.23
			11800006	Vendor -Others	- 108,164,510.84
			11800011	Vendor Balance Reval	- 1,135,774,044.64
	119	119-Others Current Liabilities	11900004	adv rec-cstr(intcom)	- 7,396,500.00
			11900005	In-Transit GRN	53,363.00
			11900010	Accruals Clearing	- 5,397.95
	120	120-Payable Control (Interim)	12000006	IR/GR Clearing a/c	- 345,608,477.69
			12000016	IR/GR CLR Man	- 1,509,434,247.96
	121	121-Duties and Taxes	12100000	WHT Payable	- 283,311,695.80
			12100001	WHT-Salary	914,976,943.69
			12100058	VAT Output	- 4,886,998,740.68
	122	122-Provision for Expenses	12200000	pro for R.share	- 1,531,976,304.58
			12200001	pro for exp accrual	- 1,205,578,613.94
			12200004	Pro for Int on Loan	6,572,420.63
	123	123-Other Non Current Liabilities	12300000	ROU L lbty - N curt	- 35,221,337.55
	124	124-Employees Benefit Payable	12400001	bonus payble	8,454,272.00
			12400007	Salary Payable	- 1.56
			12400018	Long Term Employee B	- 269,346,551.00
Liabilities Total					**- 36,528,675,429.62**
Grand Total					-

DEI Indonesia
Management Accounts
Balancesheet as on 31st Dec'22

Nature	Acc Group	Acc Group Desc	G/L acct	GL Desc	Total
Income	311	311-Revenue	31100000	Sales- Products	- 46,262,555,094.00
Income Total					**- 46,262,555,094.00**
Expenses	411	411-Revenue Share	41100000	R.S-Local Partner	19,011,915,809.58
			41100002	Revenue Share -Rent	122,789,931.17
	412	412-Direct Labour	41200071	Labour Charge	4,973,326,506.89
	413	413-Direct Material	41300000	Cost Of Material	3,602,484,983.26
			41300001	Ct Mat -Consumables	1,003,996,155.94
			41300019	Consumption of Stock	569,767.44
	414	414-Direct Marketing and Projects	41400000	Repair & Main - F&F	3,550,000.00
	415	415-Direct IT and Telco	41500000	Repair & Main -IT &	25,324,500.00
			41500001	Int & Broad Char-Sit	36,072,025.00
			41500002	Mobile & Tele Exp-Si	742,400.00
			41500004	Consumables -IT–Site	87,922,669.86
	416	416-Direct Others	41600000	Ins. Exp -HO & Sites	43,643,196.25
			41600001	Elec & Water Char-Si	384,000.00
			41600004	Branch License -Site	2,774,401.42
			41600005	Equipment Transp.	81,288,964.80
			41600006	Printing & Stat.-Sit	2,379,576.00
			41600007	Post & Cou. Char-Sit	1,186,000.00
			41600009	Site Expenses Others	38,430,078.00
	417	417-Direct Depreciation	41700003	Dep-Fur & Fixture	174,131,854.18
			41700006	Dep-Com & Printers	968,523,923.55
	418	418-Indirect Labour AandS	41800000	Sal Basic (A&S)	324,484,684.03
	419	419-Indirect Labour LT	41900034	Tele Expenses (LT)	35,000.00
	420	420-Property Costs	42000000	Rent Exp- Office	35,734,145.54
			42000004	Elec & Water Charg	4,500,000.00
			42000009	Office Exp	2,863,900.00
			42000012	Office Insurance Cos	8,377,676.03
			42000014	Office Printer Cost	84,000.00
	421	421-IT and Telco	42100001	Repair & Main -IT &	169,500.00
			42100002	Int & Broadband Char	3,690,417.00
			42100003	Mobile and Tele Exp	9,159,649.68
			42100004	HR-HRMS+Payroll	69,776,911.30
			42100007	Software Expenses	3,028,267.28
			42100009	IT Consumables	7,769,000.00
	422	422-Travel and Entertainment	42200013	Expenses - ELT Dept	142,799,917.85
			42200014	Expenses - BD Dept	50,352,417.43
			42200017	Expenses - Ops Dept	37,614,269.00
			42200018	Expenses - IT Dept	8,728,780.00
			42200024	Expenses - Other	946,000.00
	425	425-Postage and Stationary	42500000	Printing & Stat.-Sit	613,900.00
			42500001	Post & Cou. Char-Sit	1,987,040.00
	426	426-Legal and Professional	42600000	Legal Expense	22,000,000.00
			42600002	Consultancy Exp	288,152,772.35
			42600005	Audit Fees	111,000,000.00
	429	429-Bank and Credit Card Charges	42900002	Credit Card Charges	160,324,885.50
			42900003	Bank Charges	63,303,771.11
	430	430-Interest and Provisions	43000012	Interest Paid	- 12,402,749.20
			43000015	Bad Debts	- 442,641,797.38
			43000020	Interest Paid On Loa	- 6,572,420.63
			43200006	Dep- Computers & Pri	39,241,071.43
			43200008	Lease Payments- Rent	- 35,555,555.56
			43200009	Interest Expenses RO	2,274,574.63
			43200011	Dep-Right of Use Ass	32,723,762.88
	433	433-Rates and Taxes	43300000	Rates & Taxes	1,872,500.00
	434	434-Central Service Fee	43400024	CSF - Singapore	3,608,017,320.66
	435	435-Overhead Allocation	43500000	Regional Overhead Ab	1,467,112,130.81
			43500024	R.O - Singapore	131,870,681.41
	437	437-Bonus	43700000	Bonus Exp	14,528,709.50
	438	438-Realised Foreign Exchange G/L	43800000	Realised Foreign Exc	26,986,776.80
	439	439-Un-Realised Foreign Exchange G/L	43900000	Un-Realised	1,194,752,248.16
Expenses Total					**37,561,140,900.95**
Grand Total					**- 8,701,414,193.05**

Kuoni Australia Holding Pty Ltd

ABN 78 133 084 714

Annual Report - 31 December 2022

Kuoni Australia Holding Pty Ltd
Directors' report
31 December 2022

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 2022.

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
Marcel Grifoll (resigned 7 September 2022)
Sebastian Alex Mendonca (appointed 7 September 2022)

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 $930,238 (31 December 2021: $649,363).

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 2022 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.

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

28 June 2023
Melbourne

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF KUONI AUSTRALIA HOLDING PTY LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 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.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
28 June 2023

Kuoni Australia Holding Pty Ltd
Contents
31 December 2022

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 15 July 2022. 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 2022

	Note	Consolidated 2022 $	2021 $
Revenue			
Sales Revenue	3	3,981,468	22,274
Cost of Sales		(3,356,066)	115,713
Gross profit		625,402	137,987
Other income	3	-	376,800
Interest Income		-	55
Expenses			
Employee benefits expense		(980,025)	(704,495)
Depreciation and amortisation expense		(16,017)	(22,420)
Other expenses		(10,746)	(4,233)
Administration		(548,852)	(433,057)
Loss before income tax expense		(930,238)	(649,363)
Income tax expense	4	-	-
Loss after income tax expense for the year attributable to the owners of Kuoni Australia Holding Pty Ltd	12	(930,238)	(649,363)
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		(930,238)	(649,363)

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 2022

	Note	Consolidated 2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	5	37,904	89,880
Trade and other receivables	6	542,556	-
Prepaid Expense		53,867	24,382
Total current assets		634,327	114,262
Non-current assets			
Property, plant and equipment		20,151	7,072
Intangibles		-	7,472
Deferred tax	7	144,301	144,301
Total non-current assets		164,452	158,845
Total assets		798,779	273,107
Liabilities			
Current liabilities			
Trade and other payables	8	1,832,683	759,845
Financial liabilities	9	8,358,245	8,003,245
Employee benefits provisions	10	81,955	120,775
Total current liabilities		10,272,883	8,883,865
Non-current liabilities			
Employee benefits provisions		69,823	2,931
Total non-current liabilities		69,823	2,931
Total liabilities		10,342,706	8,886,796
Net liabilities		(9,543,927)	(8,613,689)
Equity			
Issued capital		500,000	500,000
Accumulated losses	12	(10,043,927)	(9,113,689)
Total deficiency in equity		(9,543,927)	(8,613,689)

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 2022

Consolidated	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total deficiency in equity $
Balance at 1 January 2021	500,000	-	(8,464,326)	-	(7,964,326)
Loss after income tax expense for the year	-	-	(649,363)	-	(649,363)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(649,363)	-	(649,363)
Balance at 31 December 2021	500,000	-	(9,113,689)	-	(8,613,689)

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)

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 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		3,438,912	58,628
Government support		-	473,260
Payments to suppliers and employees		(3,853,364)	(1,149,591)
Borrowing costs		-	(16,412)
		(414,452)	(634,115)
Interest received		-	55
Net cash used in operating activities		(414,452)	(634,060)
Cash flows from investing activities			
Payments for property, plant and equipment		(21,624)	(2,273)
Net cash used in investing activities		(21,624)	(2,273)
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(436,076)	(636,333)
Cash and cash equivalents at the beginning of the financial year		(7,913,365)	(7,277,032)
Cash and cash equivalents at the end of the financial year		(8,349,441)	(7,913,365)

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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The consolidated entity has adopted AASB 1060 from 1 July 2021. On adoption of AASB 1060, the consolidated entity has applied AASB 1 with a date of initial application of 1 January 2021. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 December 2022, the comparative information presented in these financial statements for the year ended 31 December 2021 and the preparation of opening balances for the statement of financial position as at 1 January 2021.

In applying the requirements of AASB 1, the consolidated entity has made the adjustments below.

Consolidation of subsidiary
The consolidated entity's investment in its subsidiary is consolidated from 1 January 2021, the date of transition. The consolidated entity has applied the option in AASB 1 to recognise goodwill on consolidation as the difference between the net assets of the subsidiary at the date of transition and the cost of the investment. Subsequent to transition, the consolidated entity accounts for its investment in subsidiary in accordance with the accounting policy in Note 1 whereby this is an adjustment to retained earnings.

The following table details the impact of applying this option.

Assets and liabilities of subsidiary recognised in accordance with Australian Accounting Standards

	$
Cash and cash equivalents	416,213
Trade and other receivables	120,844
Prepaid expenses	52,023
Property, plant and equipment	11,022
Intangible software	23,669
Deferred tax assets	144,301
Trade and other payables	(445,288)
Employee benefits provisions	(194,969)
Deferred revenue	(31,596)
Deemed goodwill gain recognised as an adjustment through retained earnings	96,219

Reconciliation of equity

	$
Equity as reported in the parent's separate financial statements	(8,560,545)
Excess of the consolidated entity's interest in the net assets of subsidiaries over the value of the investment in the subsidiary at the date of transition	96,219
Consolidated equity as at the date of transition to Australian Accounting Standards - Simplified Disclosures	(8,464,326)

Note 1. Significant accounting policies (continued)

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 2022 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	
	2022	**2021**
	$	**$**
Sales - external parties	1,572,805	22,274
Sales - related parties	2,408,663	-
	3,981,468	22,274

The Company operates in only one geographical region being Australia.

Other income of $376,800 during the prior year is attributable to support payments received from the government as part of support provided as a result of the COVID-19 pandemic. These payments ceased in the prior year and none were received in the current year

Note 4. Income tax expense

	Consolidated 2022 $	Consolidated 2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(930,238)	(649,363)
Tax at the statutory tax rate of 30%	(279,071)	(194,809)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax asset not recognised	279,071	194,809
Income tax expense	-	-

Note 5. Current assets - cash and cash equivalents

	Consolidated 2022 $	Consolidated 2021 $
Cash and cash equivalents	37,904	89,880

Note 6. Current assets - trade and other receivables

	Consolidated 2022 $	Consolidated 2021 $
Trade receivables	543,671	9,704
Less: Allowance for expected credit losses	(3,578)	(9,704)
	540,093	-
Other receivables	2,463	-
	542,556	-

Note 7. Non-current assets - deferred tax

	Consolidated 2022 $	Consolidated 2021 $
Deferred tax asset	144,301	144,301

Note 8. Current liabilities - trade and other payables

	Consolidated 2022 $	Consolidated 2021 $
Trade payables	1,727,014	610,823
Customer deposits	105,669	149,022
	1,832,683	759,845

Note 9. Current liabilities - borrowings

	Consolidated 2022 $	Consolidated 2021 $
Advances from related parties – other entities ultimately controlled by Fairfax Financial Holdings Limited	8,358,245	8,003,245

Note 10. Current liabilities - employee benefits provisions

	Consolidated 2022 $	Consolidated 2021 $
Employee benefits	81,955	120,775

Note 11. Equity - Contributed Equity

The company has 500,000 ordinary fully paid shares on issue (2021: 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 2022 $	Consolidated 2021 $
Accumulated losses at the beginning of the financial year	(9,113,689)	(8,464,326)
Loss after income tax expense for the year	(930,238)	(649,363)
Accumulated losses at the end of the financial year	(10,043,927)	(9,113,689)

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 2022 $	Consolidated 2021 $
Aggregate compensation	-	174,867

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 2022 $	Consolidated 2021 $
Sale of goods and services:		
Sale of goods to other related parties within the Fairfax Financial Holdings Limited Group	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 2022 $	Consolidated 2021 $
Current borrowings:		
Loan from other entities ultimately controlled by Fairfax Financial Holdings Limited	8,358,245	8,003,245

Terms and conditions
Loans are interest bearing at a rate of 6%

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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 2022 the company had a working capital deficiency totalling $9,543,927, which included amounts payable, secured by or guaranteed by related entities ultimately controlled by Fairfax Financial Holdings Limited totalling $8,358,245. 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 2022

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 2022 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

28 June 2023
Melbourne

Kuoni Australia Holding Pty Ltd
Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Kuoni Australia Holding Pty Ltd (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

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 and 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.

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com
williambuck.com.au

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 $930,238 during the year ended 31 December 2022 and, as of that date the Group's total liabilities exceeded its total assets by $9,543,927. 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 2022, but does not include the financial report and the 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 Group 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 has 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.

WilliamBuck
ACCOUNTANTS & ADVISORS

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
28 June 2023

Responsibilities of the Directors for the Financial Report

The directors of the Group 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 has no realistic alternative but to do so.

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A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

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This description forms part of our independent auditor's report.

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J.C. Luckins
Director

28 June 2023

Kuoni Private Safaris Namibia (Pty) Ltd
(Registration number 2006/511)
Annual Financial statements
for the year ended 31 December 2022

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	The company carry on the business of tourism, arrange and operate services for travel agents, tour operators, cruise liners, travel packages wholesale and logistics and all business related thereto.
Director	Virginia Barnard
Registered office	61 Simeon Shixungileni Street Windhoek Namibia
Business address	1 Schutzenstrasse Windhoek Namibia
Holding company	Kuoni Private Safaris (Pty) Ltd incorporated in South Africa
Ultimate holding company	Travel Circle International Ltd incorporated in Mauritius
Bankers	Standard Bank Namibia Limited
Auditors	BDO Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Sage Secretarial Services (Pty) Ltd
Company registration number	2006/511
Tax reference number	4297241011

Contents

Director's Responsibilities and Approval

The director is required in terms of the Companies Act of Namibia to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is her responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that she is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the year to 31 December 2023 and, in light of this review and the current financial position, she is satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 33, which have been prepared on the going concern basis, were approved by the board on 28 Mar 2023 and were signed on their behalf by:

Approval of financial statements

Barnard

Director

Tel: +264 833 224 125
Fax: +264 833 224 126
Email: info@bdo.com.na

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Kuoni Private Safaris Namibia (Pty) Ltd

Opinion

We have audited the annual financial statements of Kuoni Private Safaris Namibia (Pty) Ltd set out on pages 7 to 32, which comprise the statement of financial position as at 31 December 2022, 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 annual financial statements, including a summary of significant accounting policies and the director's report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Kuoni Private Safaris Namibia (Pty) Ltd as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Basis of 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 annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. 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.

Material uncertainty related to going concern

We draw your attention to note 10 of the director's report in the annual financial statements, which indicates that as at 31 December 2022 the company had accumulated losses of N$ 33,456,048 (2021: N$ 34,960,213) and as of that date, the company's total liabilities exceed its total assets by N$ 13,468,928 (2021: N$ 14,973,093). Furthermore, the company incurred operating losses of N$ Nil (2021: N$ 3,038,940). As stated in note 10 of the director's report, these events and conditions, along with other matters as set forth in the same note, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The director is responsible for the other information. The other information comprises the detailed statement of profit or loss and other comprehensive income, which we obtained prior to the date of this auditor's report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be

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materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 director for the Annual Financial Statements

The director is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the director determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the director 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 the director 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual 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 annual 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.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

- Conclude on the appropriateness of the director'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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: JSW de Vos
Partner

Windhoek
2023

Director's Report

The director has pleasure in submitting her report on the annual financial statements of Kuoni Private Safaris Namibia (Pty) Ltd for the year ended 31 December 2022.

1. Nature of business

Kuoni Private Safaris Namibia (Pty) Ltd is engaged in carrying on the business of tourism, arranging and operating services for travel agents, tour operators, cruise lines, travel packages wholesale and logistics and all businesses related thereto and operates in Namibia.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under.

4. Dividends

The board do not recommend the declaration of a dividend for the year.

5. Directorate

The director in office at the date of this report is as follows:

Director	Nationality
Virginia Barnard	German

6. Holding company

The company's holding company is Kuoni Private Safaris (Pty) Ltd incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Travel Circle International Ltd which is incorporated in Mauritius.

8. Events after the reporting period

The director is not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Secretary

The company secretary is Sage Secretarial Services (Pty) Ltd.

Postal address:	PO Box 2184 Windhoek Namibia
Business address:	61 Simeon Shixungileni Street Windhoek Namibia

Director's Report

10. Going concern

We draw attention to the fact that at 31 December 2022, the company had accumulated losses of N$ (33,456,048) (2021: N$(34,960,213)) and that the company's total liabilities exceed its assets by N$(13,468,928) (2021: (N$ 14,973,093)) and at that date its current liabilities exceed its current assets by N$ (13,654,084) (2021: (15,142,317)). This condition may cast a significant doubt about the company's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these are that:

- the director continue to secure funding for the ongoing operations for the company;

- that the subordination agreement referred to in note 9 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company;

- the shareholders continue to support the company financially to enable it to meet its daily financial obligations.

The directors have concluded that a material uncertainty exists at year end.

11. Terms of appointment of the auditors

BDO Namibia continued in the office as auditors for the company for 2022.

Statement of Financial Position as at 31 December 2022

Figures in Namibia Dollar	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	152,720	141,738
Intangible assets	4	11	11
Deferred tax	5	32,425	32,425
		185,156	174,174
Current Assets			
Trade and other receivables	6	1,079,208	965,369
Cash and cash equivalents	7	10,487,129	1,514,186
		11,566,337	2,479,555
Total Assets		11,751,493	2,653,729
Equity and Liabilities			
Equity			
Share capital	8	19,987,120	19,987,120
Accumulated loss		(33,456,048)	(34,960,213)
		(13,468,928)	(14,973,093)
Liabilities			
Non-Current Liabilities			
Lease liabilities		-	4,950
Current Liabilities			
Trade and other payables	9	25,220,421	13,321,872
Loans from group companies	10	-	4,300,000
		25,220,421	17,621,872
Total Liabilities		25,220,421	17,626,822
Total Equity and Liabilities		11,751,493	2,653,729

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	2022	2021
Revenue	11	59,134,772	6,637,550
Cost of sales	12	(51,972,737)	(5,583,040)
Gross profit		7,162,035	1,054,510
Other operating income	13	344,380	4,820
Other operating (losses) gains	14	(33,802)	10,272
Other operating expenses		(5,749,305)	(3,836,263)
Operating profit (loss)	15	1,723,308	(2,766,661)
Investment income	16	109,454	3,937
Finance costs	17	(328,597)	(276,216)
Total comprehensive income (loss) for the year		1,504,165	(3,038,940)

Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
Balance at 1 January 2021	3,001,000	16,986,120	19,987,120	(31,921,273)	(11,934,153)
Total comprehensive Loss for the year	-	-	-	(3,038,940)	(3,038,940)
Balance at 1 January 2022	3,001,000	16,986,120	19,987,120	(34,960,213)	(14,973,093)
Total comprehensive income for the year	-	-	-	1,504,165	1,504,165
Balance at 31 December 2022	3,001,000	16,986,120	19,987,120	(33,456,048)	(13,468,928)
Note(s)	8	8	8		

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from/(used in) operations	19	13,544,234	(1,391,811)
Interest Income		109,454	3,937
Finance costs		(328,597)	(276,216)
Net cash from operating activities		13,325,091	(1,664,090)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(47,198)	(105,419)
Net cash from investing activities		(47,198)	(105,419)
Cash flows from financing activities			
(Repayment of) / Proceeds from shareholder loan		(4,300,000)	2,300,000
Payment on lease liabilities		(4,950)	(30,249)
Net cash from financing activities		(4,304,950)	2,269,751
Total cash movement for the year		8,972,943	500,242
Cash at the beginning of the year		1,514,186	1,013,944
Total cash at end of the year	7	10,487,129	1,514,186

Accounting Policies

1. Significant accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of Namibia. The annual financial statements have been prepared on the historic cost convention, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

1.1 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables which are assessed separately. The impairment test on the portfolio is based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Taxation

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Accounting Policies

1.2 Property, plant and equipment (continued)

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
IT equipment	Straight line	3-5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.3 Right of use Asset

When the company holds property under a long term prepaid lease agreement, the lease is classified as a finance lease in accordance with the provisions of IFRS 16 Leases. Refer to the accounting policy on leases. When these leases are classified as finance leases, the property is capitalised as leasehold property, and is depreciated over the lease term.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

Accounting Policies

1.5 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available- for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Loans to / (from) related parties

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Fair value measurement hierarchy

IFRS 13 requires certain disclosure which require the classification of financial assets and financial liabilities measured at fair value using a fair value measurement hierarchy.

The company determines the fair value of its financial statements on the basis of the following hierarchy:

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

Level 2 - inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is derived from prices); and

Level 3 - inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities / (assets) for the current and prior periods are measured at the amount expected to be paid to / (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.6 Tax (continued)

Deferred tax assets and liabilities

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused company credits can be utilised.

Deferred tax assets and liabilities are measured 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

All leases of low value assets; and
Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group’s incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
• amounts expected to be payable under any residual value guarantee;
• the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
• any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
• lease payments made at or before commencement of the lease;
• initial direct costs incurred; and
• the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease terms.

Accounting Policies

1.7 Leases (continued)

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.8 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Accounting Policies

1.11 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a 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 obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.12 Revenue

The company recognises revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those services.

For each contract with a customer, the company:

- identifies the contract with a customer;

- identifies the performance obligations in the contract;

- determines the transaction price which takes into account estimates of variable consideration and the time value of money;

- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and

- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the or services promised.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by the travel dates of bookings completed at reporting date.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.13 Cost of sales

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
• Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	01 January 2022
• Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	01 January 2022
• Annual improvements to IFRS Standards 2018 - 2020 (Amendments to IFRS 1, IFRS 9, IFRS 16, and IAS 41)	01 January 2022
• References to Conceptual Framework (Amendments to IFRS 3)	01 January 2022

The director have assessed the adoption of these amendments and have concluded that the amendments do not have a material impact on the financial statements.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	1 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current: Amendments to IAS 1	1 January 2023	Unlikely there will be a material impact

The directors are in the process of assessing the aggregate impact of the initial application of the standards and interpretations on the company's annual financial statements, but it is not expected to be material.

3. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Right of use asset	-	-	-	71,120	(69,029)	2,091
Furniture and fixtures	228,409	(228,353)	56	228,409	(228,353)	56
IT equipment	1,050,501	(897,837)	152,664	1,003,303	(863,712)	139,591
Total	1,278,910	(1,126,190)	152,720	1,302,832	(1,161,094)	141,738

Notes to the Annual Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment

	Right of use asset	Furniture and fixtures	IT equipment	Total
Cost				
At 1 January 2021	71,120	228,409	897,883	1,197,412
Additions	-	-	105,420	105,420
At 31 December 2021	71,120	228,409	1,003,303	1,302,832
Additions	-	-	47,198	47,198
Disposals and scrappings	(71,120)	-	-	(71,120)
At 31 December 2022	-	228,409	1,050,501	1,278,910
Depreciation and impairment				
At 1 January 2021	(43,928)	(226,706)	(857,319)	(1,127,953)
Depreciation	(25,101)	(1,647)	(6,393)	(33,141)
At 31 December 2021	(69,029)	(228,353)	(863,712)	(1,161,094)
Disposals	69,029	-	-	69,029
Depreciation	-	-	(34,125)	(34,125)
At 31 December 2022	-	(228,353)	(897,837)	(1,126,190)

Carrying amount

	Right of use asset	Furniture and fixtures	IT equipment	Total
Cost	71,120	228,409	1,003,303	1,302,832
Accumulated depreciation and impairment	(69,029)	(228,353)	(863,712)	(1,161,094)
At 31 December 2021	2,091	56	139,591	141,738
Cost	-	228,409	1,050,501	1,278,910
Accumulated depreciation and impairment	-	(228,353)	(897,837)	(1,126,190)
At 31 December 2022	-	56	152,664	152,720

Notes to the Annual Financial Statements

4. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	1,091,413	(1,091,402)	11	1,091,413	(1,091,402)	11

Reconciliation of intangible assets - 2022

	Opening balance	Total
Computer software	11	11

Reconciliation of intangible assets - 2021

	Opening balance	Total
Computer software	11	11

5. Deferred tax

Deferred tax asset

Accelerated capital allowances for tax purposes	(27,557)	(32,091)
Prepayments	(239,679)	(105,936)
Leave provision	-	35,733
Revenue received in advance	1,430,606	659,953
Lease liabilities	-	1,584
Tax asset not recognised	(1,130,945)	(526,818)
Total deferred tax liability	32,425	32,425

Deferred tax liability	32,425	32,425

Reconciliation of deferred tax asset / (liability)

At beginning of year	32,425	(611,997)
Current year timing differences	600,810	(42,594)
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	(1,092,083)	1,018,338
Deferred asset not recognised	491,273	(331,322)
	32,425	32,425

The company has estimated tax loss of N$ 21,705,736 (2021: N$ 25,118,495) available for which no deferred tax asset was recognised.

6. Trade and other receivables

Trade receivables	304,677	6,811
Deposits	25,533	22,994
Non-financial instruments:		
VAT	-	604,514
Prepayments	748,998	331,050
Total trade and other receivables	1,079,208	965,369

Notes to the Annual Financial Statements

6. Trade and other receivables (continued)

Split between non-current and current portions

Non-current assets	-	-
Current assets	1,079,208	965,369
	1,079,208	965,369

Trade and other receivables additional disclosure

Included in trade and other receivables are foreign debtors which amounts to USD Nil (2021: USD 479) and foreign creditors with debit balance which amounts to USD Nil (2021: USD 9).

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired is assessed as high. The directors consider the carrying value of trade and other receivables which are not past due and not impaired to approximate fair value.

Trade and other receivables past due but not impaired

Trade receivables which are past due are not considered to be impaired due to specific payment arrangements with customers.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	726	726
Bank balances	4,552,277	1,188,787
Short-term deposits	5,934,126	324,673
	10,487,129	1,514,186

Included in bank balances above is foreign currency amounts of USD 95,017.81 and EUR 3,010.68 (2021: USD 6,518 and EUR 111).

Included in cash on hand above is foreign currency amounts of EUR 40 (2021: EUR 40).

8. Share capital

Authorised		
3,000,000 Ordinary shares of N$1.00 each	3,000,000	3,000,000
Issued		
3,000,000 Ordinary shares of N$ 1.00 each	3,000,000	3,000,000
1,000 Preference Shares of N$ 1.00 each issued at a premium of N$ 16,986.12 each	1,000	1,000
Share premium on preference shares	16,986,120	16,986,120
	19,987,120	19,987,120

9. Trade and other payables

Trade payables*	11,795,455	11,144,283
Operating lease liability	1,727	39,004
Accruals	8,913,235	1,576,573

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

9. Financial liabilities by category (continued)

Amounts received in advance	4,470,643	562,014
VAT	39,363	-
	25,220,423	13,321,874

*Included in trade and other payables are foreign creditors which amounts to USD 124 and BWP 7,078 (2021: USD 124 and BWP 7,078).

* Included in trade payables is N$215,504 (2021: N$ 276,203) relating to interest accrued on the loan from the holding company.

*Included in trade payables is N$ 7,708,476 (2021: N$ 6,333,818) due to the holding company and of this balance, N$ 7,708,476 (2021: N$ 6,333,818) has been subordinated in favor of other creditors until such time that the company's assets, fairly valued, exceed its liabilities.

10. Loans from group companies

Holding company

Kuoni Private Safaris (Pty) Ltd	-	4,300,000

The loan bears interest at 7% per annum, is unsecured and is repayable in 12 months from date of the agreement. The loan has been subordinated in full in favour of other creditors.

Interest of N$ 215,504 (2021: N$ 276,203) charged on the holding company loan has been included in the trade payables balance.

11. Revenue

Fees received for travelling administration	59,134,772	6,637,550

12. Cost of sales

Rendering of services	51,972,737	5,583,040

Rendering of services		
Fees earned	51,972,737	5,583,040

13. Other operating income

Brochure Contributions	344,380	4,820

Notes to the Annual Financial Statements

Figures in Namibia Dollar		2022	2021

14. Other operating gains / (losses)

Losses on disposals, scrappings and settlements			
Property, plant and equipment	3	(2,739)	-
Foreign exchange gains (losses)			
Net foreign exchange (losses) gains		(31,063)	10,272
Total other operating gains / (losses)		(33,802)	10,272

15. Operating profit (loss)

Operating profit / (loss) before investment income and finance costs for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external			
Audit fees		170,996	90,803
Remuneration, other than to employees			
Consulting and professional services		5,710	592,748
Secretarial services		17,640	40,642
		23,350	633,390
Employee costs			
Salaries, wages, bonuses and other benefits		3,547,933	2,004,058
Depreciation and amortisation			
Depreciation of property, plant and equipment		46,988	33,140
Other			
Other operating (losses) gains	14	33,802	10,272
Other expenses			
Employee costs		3,547,933	2,004,058
Accounting and administrative fees		-	553,773
Telephone and fax		391,312	574,050
Advertising		336,727	186,449
Depreciation and amortisation		46,988	33,140
Other expenses		1,426,345	484,793
		5,749,305	3,836,263

16. Investment income

Interest income		
From Investments in financial assets:		
Bank and other cash	109,454	3,937

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

17. Finance costs

Shareholder loan	215,504	276,203
Lease liability	25	13
Interest paid	113,068	-
Total finance costs	328,597	276,216

18. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting (loss) profit	1,504,165	(3,038,940)
Tax at the applicable tax rate of 32% (2021: 32%)	481,332	(972,461)
Tax effect of adjustments on taxable income		
Other income	9,940	(3,287)
Tax losses (utilized) / carried forward	(491,272)	975,748
	-	-

No provision has been made for 2022 tax as the company has an estimated tax loss available for set off against future taxable income of N$ (21,705,736) (2021: N$ (25,118,495)).

19. Cash generated from/(used in) operations

Profit / (loss) before taxation	1,504,165	(3,038,940)
Adjustments for:		
Depreciation and amortisation	46,988	33,140
Losses on disposals, scrappings and settlements of assets and liabilities	2,739	-
Losses on foreign exchange	31,063	-
Interest income	(109,454)	(3,937)
Finance costs	328,597	276,216
Other non-cash items	(44,574)	-
Changes in working capital:		
Trade and other receivables	(113,839)	(177,140)
Trade and other payables	11,898,549	1,518,850
	13,544,234	(1,391,811)

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

20. Related parties

Relationships

Ultimate holding company	Travel Circle International Ltd
Holding company	Kuoni Private Safaris (Pty) Ltd
Director	Virginia Barnard

Related party balances

	2022	2021
Loan accounts - Owing to related parties		
Kuoni Private Safaris (Proprietary) Limited	-	(4,300,000)
Amounts included in Trade receivable / (Trade Payable) regarding related parties		
Kuoni Private Safaris (Proprietary) Limited	(7,708,476)	(6,333,818)
Interest accrued on balance sheet relating to loan		
Kuoni Private Safaris (Proprietary) Limited	521,421	276,203

Related party transactions

	2022	2021
Interest incurred on related party loan		
Kuoni Private Safaris (Proprietary) Limited	215,504	276,203
Travel related and finance support fees paid to related parties		
Kuoni Private Safaris (Proprietary) Limited	868,078	553,773
Reimbursements for IT, communications, admin and marketing costs		
Kuoni Private Safaris (Proprietary) Limited	677,347	525,586

21. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

The company monitors capital on the basis of budgeted expenditure. The company uses working capital and loan from its shareholder to fund capital and operational expenses. The company also issued preference shares to the shareholder subsequent to year-end for additional capital contribution.

The gearing ratio at 2022 and 2021 respectively were as follows:

	Note	2022	2021
Loans to (from) group companies	10	-	4,300,000
Finance lease obligations		-	4,950
		-	4,304,950
Less: Cash and cash equivalents	7	(10,487,129)	(1,514,186)
Net debt		(10,487,129)	2,790,764
Total equity		(13,468,930)	(14,973,093)
Total capital		(23,956,059)	(12,182,329)

Notes to the Annual Financial Statements

21. Risk management (continued)

Financial risk management

The company is exposed to market risk through its use of financial instruments and specifically to liquidity risk, interest risk and credit risk which results from both its operating and investing activities. The company's risk management is coordinated by its ultimate parent, in co-operation with the board of directors, and focuses on actively securing the company's short to medium term cashflows by minimising the exposure to financial markets and institutions. The company does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the company is exposed to are described below.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management does not forsee any material cash expenditure in the near future which could result in the utilisation of the bank account.

The company’s risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through rolling forecast of the company's liquidity reserves (comprise undrawn borrowing facility and cash and cash equivalents).

The table below analyses the company’s financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2022

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables		(25,220,421)	(25,220,421)	(25,220,421)

2021

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	9	(13,321,872)	(13,321,872)	(13,321,872)
Loans from shareholders		(4,300,000)	(4,300,000)	(4,300,000)

Interest rate risk

As the company has no significant interest-bearing assets, the company’s income and operating cash flows are substantially independent of changes in market interest rates.

The company’s interest rate risk arises from financing from a group company. This loan issued at a variable interest rate of 7% exposes the group to cash flow interest rate risk.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

21. Risk management (continued)

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. .

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

22. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2022	Financial liabilities at amortised cost	Total
Trade and other payables	25,220,421	25,220,421
	25,220,421	25,220,421
	25,220,421	25,220,421

2021	Financial liabilities at amortised cost	Total
Other financial liabilities	4,950	4,950
Trade and other liabilities	13,321,872	13,321,872
Loan from shareholder	4,300,000	4,300,000
	17,626,822	17,626,822
	17,626,822	17,626,822

23. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

23. Financial assets by category (continued)

2022	Financial assets at amortised cost	Total
Trade and other receivables	1,079,208	1,079,208
Cash and cash equivalents	10,487,129	10,487,129
Subtotal	11,566,337	11,566,337
	11,566,337	11,566,337

2021	Financial assets at amortised cost	Total
Trade and other receivables	965,369	965,369
Cash and cash equivalents	1,514,186	1,514,186
Subtotal	2,479,555	2,479,555
	2,479,555	2,479,555

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2022	2021

24. Fair value of financial instruments

Fair value hierarchy

The company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements; this is done for instruments recognised at fair value. There has been no change to the valuation technique during the year. The company's fair value hierarchy has the following levels:

-Level 1: Fair value is determined using unadjusted quoted prices in active markets for identical assets or liabilities;

-Level 2: Fair value is determined using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e prices) or indirectly (derived from prices); and

-Level 3: Fair value is determined using a valuation technique and inputs for the asset or liability that are not based on observable market data (unobservable inputs).

25. Going concern

We draw attention to the fact that at 31 December 2022, the company had accumulated losses of N$ (33,456,048) (2021 :N$ (34,960,213)) and that the company's total liabilities exceed its assets by N$ (13,468,928) (2021:(N$ 14,973,093)) and at that date its current liabilities exceed its current assets by N$ (13,654,084) (2021: (15,142,317)). This condition may cast a significant doubt about the company's ability to continue as a going concern and that it may be unable to re-alise its assets and discharge its liabilities in the normal course of business.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these are that:

- the director continue to secure funding for the ongoing operations for the company;
- that the subordination agreement referred to in notes 9 and 10 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company;
- the shareholders continue to support the company financially to enable it to meet its daily financial obligations.

The directors have concluded that a material uncertainty exists at year end.

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2022	2021
Revenue			
Fees received for travelling administration		59,134,772	6,637,550
Cost of sales			
Cost incurred for travelling administration		(51,972,737)	(5,583,040)
Gross profit		7,162,035	1,054,510
Other operating income			
Brochure Contributions		344,380	4,820
Other operating gains / (losses)			
Losses on disposal of assets or settlement of liabilities		(2,739)	-
Foreign exchange gains / (losses)		(31,063)	10,272
	14	(33,802)	10,272
Other operating expenses			
Accounting fees		-	(553,773)
Advertising		(336,727)	(186,449)
Auditor's remuneration - external audit	15	(170,996)	(90,803)
Bad debts		-	11,573
Bank charges		(111,119)	(61,004)
Commission paid		(247,540)	(22,424)
Consulting and professional fees		(5,710)	(38,975)
Consumables		(4,091)	(2,082)
Delivery expenses		(53,405)	(52,740)
Depreciation		(46,988)	(33,140)
Employee costs		(3,547,933)	(2,004,058)
Entertainment		(8,484)	(200)
Insurance		(123,305)	(56,345)
Miscellaneous office expenses		(32,980)	(9,568)
Motor vehicle expenses		(2,004)	(400)
Overrides		(104,685)	-
Printing and stationery		(14,125)	(214)
Repairs and maintenance		(333,195)	(18,921)
Secretarial fees		(17,640)	(40,642)
Subscriptions		(3,214)	(3,214)
Sundry expenses		(193,852)	(98,834)
Telephone and fax		(391,312)	(574,050)
		(5,749,305)	(3,836,263)
Operating profit (loss)	15	1,723,308	(2,766,661)
Investment income	16	109,454	3,937
Finance costs	17	(328,597)	(276,216)
Total comprehensive income / (loss) for the year		1,504,165	(3,038,940)

Mangement Statement of Financial Position	
Company : DEI UAE LLC as at 31.12.2022	
Currency : AED	
	2022
Non-current assets	
Property, plant and equipment (net)	9,463,489
Intangible assets	2,395,421
Right of Use of Assets	659,437
Investment in Subsidiary	1,245,119
Deferred Tax Asset	-
	13,763,466
Current assets	
Inventories	4,420,219
Trade receivables	92,291,879
Cash and bank balances	5,772,416
Deposits, prepayments and advances	13,791,246
Advances paid to suppliers	11,459,589
Loan to Related Parties	4,305,847
Loans to Shareholders	-
Loan to US	-
Due from shareholders	-
Other receivables	(379)
	132,040,817
Total assets	**145,804,283**
Equity	
Share Capital	300,000
Statutory reserve	150,000
Capital Reserve	-
Retained earnings	16,727,080
Shareholdres' current accounts	-
Due from shareholder	-
Foreign currency translation reserve	-
	17,177,080
Non-current liabilities	
Bank Borrowings- Non-current	-
Finance lease liabilities	604,178
Employee terminal benefits	3,332,832
	3,937,010
Current liabilities	
Bank Borrowings- Current	-
Finance lease liabilities	-
Trade payables	34,830,266
Provisions and accruals	12,055,077
Intercompany Loan	78,137,953
Tax Payable	720,562
Other payables	(1,053,665)
Deferred Tax Liability	-
	124,690,193
Total liabilities	**128,627,203**
Total equity and liabilities	**145,804,283**
	-

Statement of Profit or Loss for the year ended 31.12.2022
Company : DEI UAE LLC
Currency : AED

	2022
Revenue	173,250,444
Cost of revenue	-109,603,966
Gross Profit	**63,646,478**
Other Income	203,861
Overhead Cost	
Salaries and benefits	40,812,865
Property Cost	2,900,370
IT & Telco	4,296,891
Travel & Entertainment	503,279
Business Operating Exp	269,994
Marketing & Advertising	362,372
Postage & Stationary	121,033
Professional Fees	1,263,063
Vehicle Costs	469,763
Bank & Credit Card Charges	1,800,916
Depreciation	2,445,642
Rates and Taxes	0
Transportation exp	0
Corporation Tax	0
Withholding Tax	261,447
CSF & Overhead Allocation	-11,515,353
Bad Debts Write Off	0
Total Overheads	**43,992,282**
Other (Income) & Expenses	
Other Income	0
Bad Debts Written Off	0
Provision for Doubtful Debts	0
	0
Result from operating activities	**19,858,057**
Net finance income / (cost)	-3,167,028
Profit for the Year	**16,691,029**
Other Comprehensive Income	
Items reclassified subsequant to Profit & Loss	
- Foreign Exchange Translation Reserve	0
- OCI- Other Comprehensive Income	0
Total Comp Income for the year	**16,691,029**

Digiphoto Entertainment Imaging Limited
Management Accounts
Balance Sheet as at 31.12.2022

	Group No	Group Name	G/L acct	GL Name	Total
Liabilities	**111**	**111-Shareholder's Equity**	11100000	Equity Share Cap	-100
			11100002	Dividend	3,219,313
	111 Total				**3,219,213**
	112	**112-Reserve and Surplus**	11200006	Retained Earnings	12,942,133
	112 Total				**12,942,133**
	118	**118-Accounts Payable Control**	11800001	Vendor - Services	-6,100
			11800002	Vendor domestic(inv)	-202,767
			11800003	Vendor-Import(inv)	-31,634,136
			11800004	vndor-intrcom	-1,139,117
			11800006	Vendor -Others	-
			11800011	Vendor Balance Reval	261,362
	118 Total				**-32,720,758**
	119	**119-Others Current Liabilities**	11900008	Zero balance clearin	-
	119 Total				**-**
	120	**120-Payable Control (Interim)**	12000001	ven-ser(interium)	97
			12000006	IR/GR Clearing a/c	-219,538
			12000007	Clearing - Freight	-
			12000009	Service-Clearing Acc	-2,597
			12000016	IR/GR CLR Man	-88,475
	120 Total				**-310,513**
	122	**122-Provision for Expenses**	12200001	Pro for exp accrual	-741,934
	122 Total				**-741,934**
	123	**123-Other Non Current Liabilities**	12300000	ROU Liability - Non curr	-49,577
	123 Total				**-49,577**
	124	**124-Employees Benefit Payable**	12400002	MPF / PF Payable	-10,504
			12400007	Salary Payable	-142,810
	124 Total				**-153,313**
Total Liability					**-17,814,748**
Assets	**211**	**211-Property Plant and Equipment**	21100010	Computers & Printers	404,497
			21100012	Accu D. Comp & Print	-335,223
			21100015	Furniture & Fixture	35,744
			21100016	Accu D. Fur & Fixtur	-25,970
			21100020	Adj Capex Comp	-
			21100024	Accu D. Comp & Print	-5,187
			21100025	Accu D. Fur & Fixtur	-850
	211 Total				**73,012**
	217	**217-Inventory**	21700000	Inventory Material	337,446
			21700007	Prov for Stk (Man)	41,185
	217 Total				**378,631**
	218	**218-Trade receivables-Unsecured Current**	21800000	A/C Rec- inter com	15,772,734
			21800005	Credit Card Control	-
			21800011	Retail Customer	977,724
			21800015	Customer Balance Rev	44,185
	218 Total				**16,794,643**
	219	**219-Security deposits**	21900001	Sec D.P - Rental D.	14,600
			21900005	Sec Deposits - Othe	8,000
	219 Total				**22,600**
	221	**221-Prepaid Expenses**	22100000	Prepaid Expenses	27,981
	221 Total				**27,981**
	222	**222-Cash and Cash Equivalents**	22200000	Petty Cash	9,662
			22200005	Cash Control A/C	-
	222 Total				**9,662**
	223	**223-Bank Balance in Current Account**	22300061	HSBC Incomng-Current	-
			22300062	HSBC Outgong-Current	1,337
			22300070	HSBC Main-Saving	224,438
			22300071	HSBC Incoming-Saving	-
			22300072	HSBC Outgoing-Saving	-
			22300080	HSBC Main-USD-Saving	76
			22300090	HSBC Main-RMB-SAVING	9,023
			22300441	Bank Balance Revalua	-20,753
	223 Total				**214,120**
	224	**224-Loans and Advances Given**	22400011	Advance To Vendor	240,506
			22400029	Recharge I/C DEI China	14,711
			22400030	Recharge I/C DEI Dubai	-8,485
			22400032	Recharge I/C DEI Hongkong	-
			22400033	Recharge I/C DEI India	-
			22400036	Recharge I/C DEI Singapore	0
			22400045	Recharge I/C DEI Macau	-68
			22400051	Recharge I/C DEI Others	-106
			22400064	Recharge I/C DEI Maldives	-0
			22400065	Recharge Korea	1
			22400067	Recharge Revaluation	22,840
	224 Total				**269,400**
	225	**225-Receivables**	22500005	Insurance Rec	-23,063
	225 Total				**-23,063**
	226	**226-Right of Use Assets**	22600001	Gross-USE A/B	143,285
			22600009	Accu Dep- Use A - B	-95,523
	226 Total				**47,762**
Total Asset					**17,814,748**

Digiphoto Entertainment Imaging Limited
Management Accounts
Balance Sheet as at 31.12.2022

Group No	Group Name	G/L acct	GL Name	Total
311	**311-Revenue**	31100000	Sales- Products	-6,430,509
312	**312-Other Income**	31200000	Grant/Subsidy	-324,000
411	**411-Revenue Share**	41100000	R.S-Local Partner	3,086,644
412	**412-Direct Labour**	41200000	Salary Basic (Ops)	1,424,663
		41200003	S-Medical Allow(Op)	17,248
		41200011	Staff Incentive (Ops	57,402
		41200012	Overtime (Ops)	53,794
		41200013	Gratuity (Ops)	27,000
		41200025	Agency Fees (Ops)	76,511
		41200027	Medical Exp (Ops)	23,429
		41200029	Tri & Recru Exp (Ops	3,960
		41200030	Uniform Exp (Ops)	160
		41200042	Transportation (Ops)	18,880
		41200053	Meals & Subsist (Ops	4,800
		41200054	Any Other Exp (Ops)	23,764
		41200056	Tem Staff Salary-Con	94,422
		41200064	Absorption-U/O (Ops)	-2,178,940
		41200066	Salary Basic-Ops Mag	280,914
		41200067	MPF (Ops)	68,994
		41200071	Labour Charge	2,178,940
413	**413-Direct Material**	41300000	Cost Of Material	476,944
		41300001	Ct Mat -Consumables	1,055
		41300015	Inventory Diff - Los	318
		41300019	Consumption of Stock	12,333
415	**415-Direct IT and Telco**	41500001	Int & Broad Char-Sit	138,472
		41500002	Mobile & Tele Exp-Si	-29,300
		41500004	Consumables -IT–Site	-
416	**416-Direct Others**	41600000	Ins. Exp -HO & Sites	29,789
		41600007	Post & Cou. Char-Sit	30
417	**417-Direct Depreciation**	41700003	Dep-Fur & Fixture	15,553
		41700006	Dep-Com & Printers	19,592
418	**418-Indirect Labour AandS**	41800000	Sal Basic (A&S)	517,427
		41800020	Staff Incentive (A&S	3,100
		41800024	Medical Exp(A&S)	6,711
		41800051	Agency Fees (A&S	26,350
		41800052	MPF (A&S)	25,887
		41800056	Transportation Exp (	1,475
419	**419-Indirect Labour LT**	41900000	Salary Basic (LT)	631,500
		41900017	Agency Fees (LT)	26,071
		41900054	Bonus LT	18,000
420	**420-Property Costs**	42000000	Rent Exp- Office	77,153
		42000001	Rnt Exp-Warehouse	96,000
		42000004	Elec & Water Charg	4,996
		42000008	Rep & Maint-Others	7,886
		42000009	Office Exp	12,210
		42000012	Office Insurance Cos	5,117
		42000014	Office Printer Cost	11,451
421	**421-IT and Telco**	42100002	Int & Broadband Char	17,244
		42100003	Mobile and Tele Exp	29,948
		42100004	HR-HRMS+Payroll	3,473
		42100009	IT Consumables	254
422	**422-Travel and Entertainment**	42200013	Expenses - ELT Dept	2,744
		42200017	Expenses - Ops Dept	11,724
423	**423-Business Operating Fees**	42300000	Trade License	3,112
425	**425-Postage and Stationary**	42500001	Post & Cou. Char-Sit	3,070
426	**426-Legal and Professional**	42600000	Legal Expense	40,000
		42600002	Consultancy Exp	96,090
		42600004	Audit Fees - Intern	-6,240
		42600005	Audit Fees - Statuto	25,036
429	**429-Bank and Credit Card Charges**	42900000	Round Off Account	-49
		42900003	Bank Charges	19,722
430	**430-Interest and Provisions**	43000012	Interest Paid	-289
		43000017	Interest Received Ot	2,433
432	**432-Depreciation**	43200003	Dep- Furniture & Fix	-10,440
		43200004	Dep- Office Equipmen	15,364
		43200006	Dep- Computers & Pri	-3,236
		43200008	Lease Payments- Rent	-100,800
		43200009	Interest Expenses RO	4,660
		43200011	Dep-Right of Use Ass	95,523
434	**434-Central Service Fee**	43400024	CSF - Singapore	817,094
435	**435-Overhead Allocation**	43500024	R.O - Singapore	-1,242,551
437	**437-Bonus**	43700000	Bonus (Ops) Oth	3,000
438	**438-Realised Foreign Exchange G/L**	43800000	Realised Foreign Exc	1,405
		43800001	Realised Foreign Exc	-22,928
439	**439-Un-Realised Foreign Exchange G/L**	43900000	Un-Realised	640,449
		43900001	Un-Realised	-361,054
441	**441-Payment Diff**	44100001	Payment Difference A	-42
Grand Total				**728,910**

Muscat Desert Adventures Tourism LLC

Financial Statements
31 December 2022

Muscat Desert Adventures Tourism LLC
Financial Statements
31 December 2022

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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 2022.

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 2022 and 31st December 2021 are stated below:

Financial highlights	**2022 OMR**	2021 OMR
Net loss	(33,812)	(11,249)
Total equity	(69,999)	(36,187)

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 2023 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 2023.

On behalf of the Board

Salim Sikander
Chief financial officer

Peter Payet
Chief executive officer

Date: 29 April 2023

KPMG LLC
Children's Public Library Building
4th Floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
Tel. +968 24 749600, www.kpmg.com/om

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 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant 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 2022, and its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS 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 Standards, and their preparation in compliance with the applicable provisions of the Commercial Company 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 Commercial Companies Law of 2019 except for amendment of the constitutional documents which has not been completed within the stipulated time period as specified in the Commercial Companies Law of 2019.

KPMG

29 April 2023 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 2022

	Notes	**2022 OMR**	2021 OMR
Revenue	*4*	**564,204**	207,414
Cost of sales	*5*	**(493,076)**	(188,904)
Gross profit		**71,128**	18,510
Administrative and general expenses	*6*	**(114,438)**	(69,907)
Other income	*7*	**11,721**	41,357
Operating loss		**(31,589)**	(10,040)
Finance cost - bank charges		**(2,674)**	(1,209)
Finance income		**451**	-
Loss before tax and		**(33,812)**	(11,249)
Tax expense	*18*	**-**	-
Loss after tax		**(33,812)**	(11,249)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(33,812)**	(11,249)

The notes on pages 9 to 27 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 2022

	Notes	**2022 OMR**	2021 OMR
ASSETS			
Property and equipment	*8*	**1,303**	412
Non-current assets		**1,303**	412
Trade and other receivables	*9*	**116,182**	58,507
Due from related parties	*10*	**27,667**	24,673
Cash and cash equivalents	*15*	**280,512**	51,573
Current assets		**424,361**	134,753
Total assets		**425,664**	135,165
EQUITY AND LIABILITIES			
Equity			
Share capital	*13*	**150,000**	150,000
Statutory reserve	*14*	**50,000**	50,000
Accumulated losses		**(269,999)**	(236,187)
Total equity		**(69,999)**	(36,187)
Liabilities			
Employees' end of service benefits	*12*	**2,665**	4,470
Non-current liability		**2,665**	4,470
Trade and other payables	*11*	**274,656**	162,876
Due to related parties	*10*	**218,342**	4,006
Total current liabilities		**492,998**	166,882
Total liabilities		**495,663**	171,352
Total equity and liabilities		**425,664**	135,165

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 2022.

These financial statements were authorized for issue on behalf of the Company's Directors on 29 April 2023.

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

The notes on pages 9 to 27 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 2022

	Note	2022 OMR	2021 OMR
Cash flow from operating activities			
Loss for the year		**(33,812)**	(11,249)
Adjustments for:			
Depreciation	*8*	**433**	134
Provision for employees' end of service benefits	*12*	**928**	359
Gain on sale of property and equipment	*7*	**-**	(9,714)
Other income	*7*	**(11,721)**	(21,879)
		(44,172)	(42,349)
Changes in:			
- trade and other receivables		**(45,954)**	(48,096)
- due from related parties		**(2,994)**	70,974
- trade and other payables		**111,780**	42,575
- due to related parties		**214,336**	4,006
Payment of employees' end of service benefits	*12*	**(2,733)**	(2,598)
Net cash from operating activities		**230,263**	24,512
Cash flow from investing activities			
Proceeds from sale of property and equipment		**-**	9,714
Acquisition of property and equipment	*8*	**(1,324)**	-
Net cash (used in)/from investing activities		**(1,324)**	9,714
Net increase in cash and cash equivalents		**228,939**	34,226
Cash and cash equivalents at beginning of the year		**51,573**	17,347
Cash and cash equivalents at the end of the year	*15*	**280,512**	51,573

The notes on pages 9 to 27 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 2022

	Share capital OMR	Statutory reserve OMR	Accumulated losses OMR	Total OMR
At 1 January 2021	150,000	50,000	(224,938)	(24,938)
Total comprehensive loss for the year	-	-	(11,249)	(11,249)
At 31 December 2021	**150,000**	**50,000**	**(236,187)**	**(36,187)**
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)**

The notes on pages 9 to 27 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

During the year ended 31 December 2022, the Company incurred a loss after tax of OMR 33,812 *(2021: OMR 11,249)* and as at 31 December 2022 its accumulated losses amounted to OMR 269,999 *(2021: OMR 236,187)* and net current liabilities amounted to OMR 68,637 *(2021: OMR 32,129)*. 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 2022 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 except for amendment of the constitutional documents which has not been complied with within the stipulated time period. The Company, however, has stated that it is in the process of undertaking required steps to comply with the requirement of applicable laws.

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.

3 Significant accounting policies

The Company has consistently applied the accounting policies set out below to all periods presented in these financial statements.

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.

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.

3 Significant accounting policies (continued)

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.

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 Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

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.

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.

3 Significant accounting policies (continued)

Property and equipment (continued)

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.

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.

3 Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

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.

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.

3 Significant accounting policies (continued)

Impairment (continued)

Financial assets measured at amortized cost (continued)

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.

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.

3 Significant accounting policies (continued)

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.

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.

3 Significant accounting policies (continued)

Leases (continued)

As a lessee (continued)

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.

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

The following are the new currently effective requirements for annual periods beginning on 1 January 2022, which did not have a significant impact of the Company's financial statements:

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37) (1 January 2022).
- Annual improvements to IFRS Standards 2018 – 2020 (1 January 2022)
- Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16) (1 January 2022).
- Reference to the Conceptual Framework (Amendments to IFRS 3) (1 January 2022).

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

3 Significant 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)	1 January 2023
IFRS 17 Insurance Contracts and amendments to 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 Estimate (Amendments to IAS 8)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16): Transition, effective date and due process (Agenda Paper 12C)	1 January 2024

4 Revenue

Revenue from contract with customers is disaggregated by major products and service lines.

	2022 OMR	2021 OMR
Tourism and related services	**564,204**	207,414
	564,204	207,414
Geographical markets		
Oman	**564,204**	207,414
Timing of revenue recognition		
Revenue recognized at a point in time	**564,204**	207,414

5 Cost of sales

	2022 OMR	2021 OMR
Tourism and related services	**493,076**	188,904
	493,076	188,904

6 Administrative and general expenses

	2022 OMR	2021 OMR
Staff salaries and related benefits (i)	**71,589**	39,423
Rent and utility expense	**11,299**	16,919
Motor vehicle expense	**3,934**	3,260
Promotion and business expense	**6,533**	670
Government and legal fees	**8,244**	8,300
Depreciation expense (refer note 8)	**433**	134
Office communication and postage expenses	**6,886**	207
Other Expenses	**5,520**	994
	114,438	69,907

6 Administrative and general expenses (continued)

(i) The staff salaries and related benefits comprises:

	2022 OMR	2021 OMR
Staff salaries and wages	**63,554**	38,228
Other staff benefits	**7,107**	836
End of service benefits (refer note 12)	**928**	359
	71,589	39,423

7 Other income

	2022 OMR	2021 OMR
Head office recharges (refer note 10)	**-**	9,685
Foreign exchange gain	**-**	79
Gain on sale of property and equipment	**-**	9,714
Other income	**11,721**	21,879
	11,721	41,357

8 Property and equipment

	Motor vehicle OMR	Office equipment OMR	Office furniture and installations OMR	Total OMR
Cost				
At 1 January 2021	101,574	5,211	16,848	123,633
Disposal / write off	(42,100)	-	-	(42,100)
As at 31 December 2021	**59,474**	**5,211**	**16,848**	**81,533**
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**
Depreciation				
As at 1 January 2021	101,574	5,211	16,302	123,087
Charge for the year	-	-	134	134
Disposal / write off	(42,100)	-	-	(42,100)
As at 31 December 2021	**59,474**	**5,211**	**16,436**	**81,121**
As at 1 January 2022	59,474	5,211	16,436	81,121
Charge for the year	-	299	134	433
Disposal / write off	-	-	-	-
As at 31 December 2022	**59,474**	**5,510**	**16,570**	**81,554**
Net book value				
At 31 December 2022	**-**	**1,025**	**278**	**1,303**
At 31 December 2021	-	-	412	412

9 Trade and other receivables

	2022 **OMR**	2021 OMR
Trade receivables	**93,775**	54,651
Provision for impairment loss on trade receivables (refer note 9.1)	**(5,713)**	(5,713)
	88,062	48,938
Prepayments	**14,226**	420
Deposits	**8,600**	8,600
Other receivables	**5,294**	549
	116,182	58,507

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:

	2022 **OMR**	2021 OMR
As at 1 January	**5,713**	6,948
Charge during the year	**-**	-
Written-off during the year	**-**	(1,235)
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. Such transactions are on terms and conditions mutually agreed.

Significant transactions entered with related parties during the year were:

	2022 **OMR**	2021 OMR
Intercompany recharges (refer note 7)	-	9,685

Intercompany recharges represent amounts recharged to Jordan Desert Adventures Tourism L.L.C. for the shared staff and from Gulf Dunes Tourism LLC.

Due from related parties

	2022 **OMR**	2021 OMR
Desert Adventures Tourism L.L.C. – Dubai	-	24,673
Gulf Dunes Tourism LLC	**27,667**	**-**
	27,667	24,673

Due to related parties

	2022 **OMR**	2021 OMR
Desert Adventures Tourism L.L.C. – Dubai	**213,945**	3,548
Jordan Desert Adventures Tourism L.L.C.	**4,397**	458
	218,342	4,006

10 Related parties (continued)

The key management personnel compensation is as follows:

	2022 OMR	2021 OMR
Short-term employee benefits	**2,665**	9,685

11 Trade and other payables

	2022 OMR	2021 OMR
Hotel and other service accruals	**144,523**	120,994
Trade payables	**6,165**	10,003
Advances from customers	**117,219**	23,522
Accruals and other payables		
-Employee accruals	**3,238**	2,449
-Other payables	**3,511**	5,908
	274,656	162,876

12 Employees' end of service benefits

	2022 OMR	2021 OMR
At 1 January	**4,470**	6,709
Provision during the year	**928**	359
Payments made during the year	**(2,733)**	(2,598)
At 31 December	**2,665**	4,470

13 Share capital

	2022 OMR	2021 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 (2021: AED Nil).

15 Cash and cash equivalents

	2022 OMR	2021 OMR
Cash at bank	**276,492**	48,565
Cash in hand	**4,020**	3,008
	280,512	51,573

16 Contingencies

Guarantees amounting to OMR 5,000 *(2021: 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 2022 *(2021: 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.

	2022 OMR	2021 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:

	2022 OMR	2021 OMR
Loss for the year	**(33,812)**	(11,249)
Income tax at 15%	**(5,072)**	(1,687)
Non-deductible expenses	**1,001**	386
Unrecorded deferred tax on tax losses	**(5,653)**	(3,193)
Deferred tax on tax losses expired during the year	**9,724**	4,494
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 2018. 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 2021 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 2022.

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.

19 Financial risk management (continued)

Risk management framework (continued)

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 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:

	2022	2021
	OMR	OMR
Trade and other receivables *	**101,956**	58,087
Due from related parties	**27,667**	24,673
Cash at bank	**276,492**	48,565
	406,115	131,325

* Prepayments are excluded.

At 31 December 2022, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Gross amount	Gross amount
	2022	2021
	OMR	OMR
Geographical regions		
Europe	**53,885**	41,786
Middle East	**731**	167
Commonwealth of Independent States	**9,685**	9,537
Others	**29,474**	3,161
Grand total	**93,775**	54,651

19 Financial risk management (continued)

Credit risk *(continued)*

The ageing of trade receivables at the reporting date was:

	Not credit-impaired 2022 OMR	Credit impaired 2022 OMR	Not credit-impaired 2021 OMR	Credit impaired 2021 OMR
Not yet due	**-**	**-**	-	-
1-30 days	**65,598**	**-**	38,516	-
31- 90 days	**24,032**	**(1,568)**	10,422	-
91- 120 days and above	**4,145**	**(4,145)**	5,713	(5,713)
Total	**93,775**	**(5,713)**	54,651	(5,713)

Impairment losses

Expected credit losses assessment for individual customers as at 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
2022			
Non derivative financial liabilities			
Trade and other payables*	157,437	(157,437)	(157,437)
2021			
Non derivative financial liabilities			
Trade and other payables*	139,354	(139,354)	(139,354)

**excluding advances from customers*

19 Financial risk management (continued)

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.

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 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.

(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 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.

21 Use of judgments and estimates (continued)

Assumptions and estimation uncertainties (continued)

(b) Depreciation method, useful life and residual values of property and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property and equipment and no adjustment to the residual lives and remaining useful lives of the assets was considered necessary for the current year.

(c) Revenue recognition timing

Revenue from hotel accommodation (both separate and sold as part of tour package) is recognized when the control is transferred to the customer. The customer gets the control when all the tour related vouchers and travel tickets are issued to them. As per the general practice, the Company issues all the vouchers and travel tickets to the Customer at time of travel of the tour. Hence, the Company fully transfers control of the promised services to the customer once all the vouchers and tickets are issued to the customer at time of travel.

(d) Tour Package as single performance obligation

To assess whether the contract contains single performance obligation or multiple performance obligation requires judgment. For sale of tours packages, the promised services within tour packages in nature of hotel accommodation, visas, transfers, meet and greet and excursions, though capable of being distinct are not distinct within the context of the contract.

The objective when assessing whether an entity's promises to transfer goods or services are distinct within the context of the contract is to determine whether the nature of the promise is to transfer each of those goods or services individually, or whether the promise is to transfer a combined item or items to which the promised goods or services are inputs. In sale of tour packages as the obligation is to provide all the services together to the customer hence there is only one single performance obligation.

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 Impact of Global Events

(a) COVID-19:

In 2020, the World Health Organization ("WHO") announced a global health emergency because of coronavirus (the "COVID- 19 Outbreak") and classified the outbreak as a pandemic. Compared to 2020 wherein the pandemic had impacted adversely, in the current and prior year, there has been a significant improvement in operating results of the Company across key segments and geographies as the impact of pandemic started to ease in markets. Although the global economic situation with relation to COVID-19 remains fluid and will be determined by factors that continue to evolve, such as resurgence of variants, success of support measures introduced by governments and the effectiveness of public policies intended to contain the spread, the Company's management continues to evaluate the situation for any adverse impact.

(b) Inflation and Global Central Banks Tightening Programs:

The global economic outlook deteriorated throughout 2022 amid high inflation, monetary tightening from central banks and uncertainties from both conflict in Ukraine and the lingering pandemic. Central Banks across most economies responded by increasing interest rates, resulting in slowdown in growth. The rising government

23 Impact of Global Events

(b) Inflation and Global Central Banks Tightening Programs: (continued)

borrowing costs, slowdown in growth and large capital outflows have exacerbated fiscal and balance of payments pressures in a number of developing.

(c) Russia-Ukraine Conflict and impact of Geo-political situation in Common Wealth of Independent States (CIS)

The current ongoing conflict between Russia-Ukraine has triggered global economic disruption and has, amongst other impacts, led to increased volatility in global financial markets and commodity prices due to disruption of supply chain. Also, the conflict is taking a toll on the global tourism economy, disrupting normal travel patterns and spending, and some countries are destined to take more of the impact than others. Further, the Geo-political situation in CIS countries has resulted in sanctions on some CIS countries related to Trade and finance which has resulted in a reduction of business from these countries. However, as per management's assessment, the conflict and sanctions does not have a material impact to the Company's financial statements.

24 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization on 29 April 2023, which would have a material effect on the financial statements.

Nature Trails Resorts Private Limited
Balance Sheet as at March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2	5,050.85	5,043.42
Capital work in progress	3	-	53.28
Right of use assets	36	6.45	9.94
Financial assets			
Other financial assets	4	8.46	9.04
Other tax assets	5	6.96	4.94
Other non-current assets	9	1.49	8.25
Total non-current assets		**5,074.21**	**5,128.87**
Current assets			
Inventories	6	2.25	1.53
Financial assets			
i. Trade receivables	7	6.26	6.15
ii. Cash and cash equivalents	8	15.72	14.97
Other current assets	9	14.42	20.09
Total current assets		**38.65**	**42.74**
Total assets		**5,112.86**	**5,171.61**
Equity and liabilities			
Equity			
Equity share capital	10	147.58	147.58
Other equity			
Reserves and surplus	11	(767.98)	(523.25)
Other reserves	12	1,338.29	1,338.29
Total equity		**717.89**	**962.62**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	13	336.93	585.07
ii. Lease liabilities	36	0.14	9.20
iii. Other financial liabilities	15	0.29	1.42
Provision for employee benefit obligations	17	97.29	72.70
Deferred tax liabilities (net)	18	274.52	339.77
Total non-current liabilities		**709.17**	**1,008.16**
Current liabilities			
Financial liabilities			
i. Borrowings	13	3,572.28	3,022.40
ii. Lease liabilities	36	9.27	0.89
iii. Trade payables			
Total outstanding dues of micro enterprises and small enterprises; and	14	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	43.35	113.14
iv. Other financial liabilities	15	10.89	16.49
Provisions			
Provision for employee benefit obligations	17	17.12	9.65
Other current liabilities	16	32.89	38.26
Total current liabilities		**3,685.80**	**3,200.83**
Total liabilities		**4,394.97**	**4,208.99**
Total equity and liabilities		**5,112.86**	**5,171.61**
Significant accounting policies	1.3		

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

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

For and on behalf of the Board of Directors of
Nature Trails Resorts Private Limited
(CIN: U55100MH2005PTC150901)

Satish Vaidyanathan
Partner

Vikram Dayal Lalvani
Director

Krishna Kumar L
Director

Membership No.: 217042	DIN No.: 07115464	DIN No.: 00420790
Place: Chennai	Place: Chennai	Place: Chennai
Date:	Date:	Date:

Nature Trails Resorts Private Limited
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	19	759.90	384.26
Other income	20	35.89	31.45
Total income		**795.79**	**415.71**
Expenses			
Cost of materials consumed	21	127.57	69.72
Employee benefits expense	22	272.39	222.38
Finance costs	23	266.01	255.33
Depreciation and amortisation expense	24	58.89	142.28
Other expenses	25	347.39	227.69
Total expenses		**1,072.25**	**917.40**
Loss before tax		**(276.46)**	**(501.69)**
Tax expense:	26		
Current tax		-	-
Deferred tax		(65.25)	(44.69)
Loss for the year		**(211.21)**	**(457.00)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit (asset)/liability		(33.52)	2.33
Gain on revaluation of property,plant and equipment		-	-
Income tax effect on revaluation of property,plant and equipment		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		(33.52)	**2.33**
Total comprehensive Income/ (loss) for the year		**(244.73)**	**(454.67)**
Earnings per share (Face value of INR 10 each)			
Basic and diluted earnings per share (in INR.)	31	(143.12)	(309.67)
Significant accounting policies	1.3		

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

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

For and on behalf of the Board of Directors of
Nature Trails Resorts Private Limited
(CIN: U55100MH2005PTC150901)

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date:

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date:

Krishna Kumar L
Director
DIN No.: 00420790
Place: Chennai
Date:

PKF

PRIVATE SAFARIS (EAST AFRICA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, 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 2022 the total revenue of the company increased from Shs. 659,251,070 to Shs. 1,590,495,145. This increase is mainly as a result of the relaxation of the Covid 19 regulations in the current year.

Key performance indicators	**2022**	**2021**
Turnover (Shs '000)	1,590,495	659,251
Gross profit (Shs '000)	266,045	111,259
Gross profit margin (%)	17%	17%
Profit/(loss) for the year (Shs '000)	111,549	(23,258)
EBITDA (Shs '000)	122,545	(644)

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 21 to the financial statements.

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2021: 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 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

18th April 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The 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 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 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 are of the opinion that the financial statements give a true and fair view of the financial position of the company as at 31 December 2022 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 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.

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 18th April 2023 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 36, which comprise the statement of financial position as at 31 December 2022, 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 significant 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 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the 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 cost of sales 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.

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REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PRIVATE SAFARIS (EAST AFRICA) LIMITED (CONTINUED)

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 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.

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 director'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.

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 (continued)

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 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

For and behalf of PKF Kenya LLP
Certified Public Accountants
Nairobi, Kenya

2 May 2023

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STATEMENT OF PROFIT OR LOSS

	Notes	2022 Shs '000	2021 Shs '000
Revenue from contracts with customers	1	1,590,495	659,251
Cost of sales		(1,324,450)	(547,992)
Gross profit		266,045	111,259
Other operating income	2	1,953	1,632
Interest earned from fixed deposits		652	512
Net impairment (loss) on financial and contract assets	21 (b)	(5,084)	(457)
Administrative expenses		(151,938)	(110,824)
Other operating expenses		(26,624)	(25,453)
Operating profit/(loss)	3	85,004	(23,331)
Finance income	5	15,520	227
Profit/(loss) before tax		100,524	(23,104)
Tax	6	11,025	(154)
Profit/(loss) for the year		111,549	(23,258)
Profit/(loss) per share			
- basic and diluted (Shs.)	7	36	(7)

The notes on pages 12 to 36 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 2022 Shs '000	2021 Shs '000
CAPITAL EMPLOYED			
Ordinary share capital	8	62,500	62,500
Preference share capital	8	293,770	293,770
Retained earnings		(147,893)	(259,442)
Shareholders' funds		208,377	96,828
Non-current liabilities			
Lease liabilities	9	2,113	7,299
		210,490	104,127
REPRESENTED BY			
Non-current assets			
Deferred tax	10	124,547	113,326
Property and equipment	11	11,779	20,814
Intangible assets	12	8,615	492
Right-of-use assets	13	6,576	14,679
		151,517	149,311
Current assets			
Inventories	14	2,918	1,296
Trade and other receivables	15	75,740	60,144
Cash and cash equivalents	16	232,095	83,271
Tax recoverable		48,067	48,035
		358,820	192,746
Current liabilities			
Trade and other payables	17	294,814	191,619
Borrowings	18	-	38,471
Lease liabilities	9	5,033	7,840
		299,847	237,930
Net current assets/(liabilities)		58,973	(45,184)
		210,490	104,127

The financial statements on pages 8 to 36 were approved and authorised for issue by the Board of Directors on 18th April 2023 and were signed on its behalf by:

DIRECTOR DIRECTOR

The notes on pages 12 to 36 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 2021				
At start of year	62,500	293,770	(236,184)	120,086
(Loss) for the year	-	-	(23,258)	(23,258)
At end of year	62,500	293,770	(259,442)	96,828
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

The notes on pages 12 to 36 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CASH FLOWS

Operating activities	**Notes**	**2022 Shs '000**	**2021 Shs '000**
Cash from operations	19	186,062	(2,904)
Interest accrued and paid on lease liabilities	9	(1,556)	(1,652)
Tax paid		(228)	(204)
Net cash from/(used in) operating activities		184,278	(4,760)
Investing activities			
Purchase of property and equipment	11	(1,521)	(1,331)
Purchase of intangible assets	12	(8,518)	(498)
Interest received		652	512
Proceeds from disposal of property and equipment		1,910	1,609
Net cash from investing activities		(7,478)	291
Financing activities			
Payment of lease liabilities	9	(7,993)	(7,916)
Proceeds from borrowings	18	(38,471)	38,471
Net cash (used in)/from financing activities		(46,464)	30,555
Increase in cash and cash equivalents		130,337	26,086
Movement in cash and cash equivalents			
At start of year		83,271	54,135
Increase		130,337	26,086
Effect of exchange rate changes		18,487	3,050
At end of year	16	232,095	83,271

The notes on pages 12 to 36 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

SIGNIFICANT ACCOUNTING POLICIES

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.

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 21 and disclosures in respect of capital management are set out in Note 22.

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 2022. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use'

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the financial statements of the company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning the earliest period presented.

Amendments to IAS 37 'Onerous Contracts – Costs of Fulfilling a Contract'

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

These amendments had no impact on the financial statements of the company as the company did not identify any contracts as being onerous at the beginning and end of the reporting period.

Amendment to IAS 41 Agriculture 'Taxation in fair value measurements'

The amendment removed the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards 'Subsidiary as a first-time adopter'

The amendment provides a subsidiary that becomes a first-time adopter later than its parent with an exemption relating to the measurement of its assets and liabilities. The exemption does not apply to components of equity. This exemption is also available to an associate or joint venture that becomes a first-time adopter later than an entity that has significant influence or joint control over it.

These amendments had no impact on the financial statements of the company as it is not a first time adopter

NOTES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) **Basis of preparation (continued)**

New standards, amendments and interpretations adopted by the company (continued)

Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework

The amendments added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. The amendments also clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Amendment to IFRS 9 Financial Instruments 'Fees in the '10 per cent' test for derecognition of financial liabilities'

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment had no impact on the financial statements of the company as there were no modifications of the company's financial instruments during the period.

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 (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.

  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 1 'Non-current Liabilities with Covenants' (issued in October 2022)

  The amendments, applicable to annual periods beginning on or after 1 January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (issued in February 2021)

NOTES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) **Basis of preparation (continued)**

New standards, amendments and interpretations issued but not effective (continued)

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 policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

- Amendments to IAS 8 'Definition of Accounting Estimates' (issued in February 2021), effective for annual reporting periods beginning on or after 1 January 2023, introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

  The amendments are not expected to have a material impact on the company's financial statements.

- Amendments to IAS 12 'Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021), effective for annual periods beginning on or after 1 January 2023, narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

  The company is currently assessing the impact of the amendments.

- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' (issued in September 2014), applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

- Amendment to IFRS 16 'Lease Liability in a Sale and Leaseback (issued in September 2022), applicable to 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.

- IFRS 17 'Insurance Contracts' (issued in May 2017), effective for annual periods beginning on or after 1 January 2023, establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The company does not issue insurance contracts.

- Amendments to IFRS 9 and IFRS 17 'Initial application of IFRS 17 and IFRS 9 – Comparative Information' (issued in December 2021), applicable on initial application of IFRS 17, add a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

NOTES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) **Basis of preparation (continued)**

New standards, amendments and interpretations issued but not effective (continued)

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.

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.

NOTES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (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.

  For trade receivables, the company has applied the simplified model under IFRS 9 where lifetime expected credit loss allowance is recognised on the basis of a provisioning matrix.

- **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.

  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.

NOTES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) **Significant accounting judgements, estimates and assumptions (continued)**

- **Accounting for leases under IFRS 16 (continued)**

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.

SIGNIFICANT ACCOUNTING POLICIES (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 or at FVTOCI are subject to impairment assessment. No impairment loss is recognised on investments measured at FVTPL.

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.

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.

SIGNIFICANT ACCOUNTING POLICIES (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. 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)

SIGNIFICANT ACCOUNTING POLICIES (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/(loss).

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. 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.

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)

SIGNIFICANT ACCOUNTING POLICIES (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).

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

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 to sell 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)

SIGNIFICANT ACCOUNTING POLICIES (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**

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

NOTES (CONTINUED)

	2022	2021
1. Revenue from contracts with customers	**Shs '000**	**Shs '000**
Sale of safari packages	1,590,495	659,251
2. Other operating income		
Gain on disposal of property and equipment	1,909	1,584
Other income	44	48
	1,953	1,632

3. Operating profit/(loss)

The following items have been charged in arriving at the operating profit/(loss):

Depreciation on property and equipment (Note 11)	10,556	11,022
Amortisation of intangible assets (Note 12)	395	545
Depreciation on right of use assets (Note 13)	8,103	8,070
Staff costs (Note 4)	103,473	72,291
Director's remunaration	14,455	11,985
Auditors' remuneration		
- current year	1,455	1,476
Repairs and maintenance	4,418	2,437

4. Staff costs

Salaries and wages	91,661	62,014
Other staff costs	11,631	10,109
Pension costs: National Social Security Fund	181	168
	103,473	72,291

The average number of persons employed during the year, by category, were:	**2022 No**	**2021 No**
Management and administration	76	70

	2022	2021
5. Finance (income)	**Shs '000**	**Shs '000**
Lease liabilities interest (Note 9)	1,556	1,652
Interest expense on shareholder's loan (Note 20)	1,411	1,171
Foreign exchange (gain)		
- realised (gain)/loss	(1,705)	1,285
- unrealised (gain)	(16,782)	(4,335)
Total finance (income)	(15,520)	(227)

NOTES (CONTINUED)

6. **Tax**	**2022 Shs '000**	**2021 Shs '000**
Current tax	196	154
Deferred tax (credit) (Note 10)	(11,221)	-
	(11,025)	154

The tax on the company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic rate as follows:

Profit/(loss) before tax	100,524	(23,104)
Tax calculated at a tax rate of 30% (2021: 30%)	30,157	(6,931)
Tax effect of:		
- expenses not deductible for tax purposes	1,665	1,280
- effect of deferred tax previously not recognised now recognised (Note 10)	(42,847)	5,805
Tax charge	(11,025)	154

7. **Profit/(loss) per share**

Basic profit/(loss) per share is calculated by dividing the profit/loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	2022 Shs	**2021 Shs**
Profit/(loss) attributable to equity holders (Shs.)	111,549,000	(23,258,000)
Weighted average number of ordinary shares (Number)	3,125,000	3,125,000
Profit/(loss) per share (Shs).	36	(7)

8. **Share capital**	**2022 Shs '000**	**2021 Shs '000**
Authorised		
3,250,000 (2021: 3,250,000) ordinary shares of Shs. 20 each	65,000	65,000
2,937,695 (2021: 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 (2021: 3,125,000) ordinary shares of Shs. 20 each	62,500	62,500
2,937,695 (2021: 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

	2022 Shs '000	2021 Shs '000
Non-current	2,113	7,299
Current	5,033	7,840
	7,146	15,139

Reconciliation of lease liabilities arising from financing activities:

	2022 Shs '000	2021 Shs '000
At start of year	15,139	9,012
Interest charged to profit or loss (Note 5)	1,556	1,652
Cash flows:		
- Amounts financed through leases	-	14,043
- Payments under leases	(9,549)	(9,568)
At end of year	7,146	15,139

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:

	2022 Shs '000	2021 Shs '000
6 months or less	4,419	3,717
6 - 12 months	614	4,123
1 - 2 years	2,113	7,299
	7,146	15,139

	2022 %	2021 %
Weighted average effective interest rates at the reporting date was:		
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	2022 Shs '000	2021 Shs '000
Not later than 1 year	5,599	9,548
Later than 1 year and not later than 5 years	2,474	8,073
Total gross lease	8,073	17,621
Future interest expense on leases liabilities	(927)	(2,482)
Present value of lease liabilities	7,146	15,139

10. **Deferred tax**

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2021: 30%). The movement on the deferred tax account is as follows:

	2022 Shs '000	2021 Shs '000
At start of year	(113,326)	(113,326)
(Credit) to profit or loss (Note 6)	(11,221)	-
At end of year	(124,547)	(113,326)

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
Deferred tax (assets)			
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 asset previously not recognised now recognised	42,847	(42,847)	-
Net deferred tax (asset)	(113,326)	(11,221)	(124,547)

11. Property and equipment

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
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 book value	632	87	9,625	1,435	11,779

Year ended 31 December 2021

	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	45,836	19,009	90,605	44,549	199,999
Additions	-	-	-	1,229	1,331
Disposals	-	-	(5,932)	(101)	(6,033)
At end of year	45,938	19,009	84,673	45,677	195,297
Depreciation					
At start of year	45,704	18,781	62,333	42,655	169,472
Disposals	-	-	(5,932)	(79)	(6,012)
Charge for the year	73	72	9,386	1,491	11,022
At end of year	45,777	18,853	65,787	44,066	174,483
Net book value	45,938	156	18,886	1,611	20,814

All additions during the year were made through cash payments.

NOTES (CONTINUED)

12. **Intangible assets**	**Trademarks Shs '000**	**Computer software Shs '000**	**Capital work in progress Shs '000**	**2022 Shs '000**	**2021 Shs '000**
Cost					
At start	186	26,091	-	26,277	26,026
Additions	133	706	7,679	8,518	498
Disposals	-	-	-	-	(247)
At end of year	319	26,797	7,679	34,795	26,277
Amortisation					
At start of year	49	25,736	-	25,785	25,484
Disposals	-	-	-	-	(244)
Charge for the year	43	352	-	395	545
At end of year	92	26,088	-	26,180	25,785
Net book value	227	709	-	8,615	492

Amortisation costs amounting to Shs. 394,695 (2021: Shs. 545,084) are included in other operating expenses.

13. **Right-of use assets**	**Leased buildings 2022 Shs '000**	**Leased buildings 2021 Shs '000**
Cost		
At start of year	53,291	39,248
Additions	-	14,043
At end of year	53,291	53,291
Depreciation		
At start of year	38,612	30,542
Charge for the year	8,103	8,070
At end of year	46,715	38,612
Net book value	6,576	14,679

The company leases offices and stores. The leased offices and stores are typically for periods of between 1 and 5 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.

In the statement of cash flows, the amount for payments for right-of-use assets represents:

	2022 Shs '000	**2021 Shs '000**
Additions, as above	-	14,043
Less: amounts financed through lease liabilities	-	(14,043)
	-	-

For information on the related lease liabilities, see Note 9.

NOTES (CONTINUED)

14. **Inventories**	**2022 Shs '000**	**2021 Shs '000**
Park tickets	2,918	1,296

15. **Trade and other receivables**

Trade receivables	32,074	5,657
Less: impairment provisions	(8,410)	(4,463)
Net trade receivables	23,664	1,194
Prepayments	659	1,164
Other receivables	47,876	57,749
Amount due from related parties (Note 20)	3,541	37
	75,740	60,144

	2022			**2021**		
	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	32,074	(8,410)	23,664	5,657	(4,463)	1,194
Prepayments	659	-	659	1,164	-	1,164
Other receivables	47,876	-	47,876	57,749	-	57,749
Amount due from related parties	3,541	-	3,541	37	-	37
	84,150	(8,410)	75,740	64,607	(4,463)	60,144

The carrying amounts of the company's trade and other receivables are denominated in the following currencies:

	2022 Shs '000	**2021 Shs '000**
Kenya Shillings	40,124	53,945
Dollars	32,714	5,609
Euros	2,902	590
	75,740	60,144

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.

NOTES (CONTINUED)

16. **Cash and cash equivalents**	**2022 Shs '000**	**2021 Shs '000**
Cash at bank and in hand	232,095	83,271

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 Shs. 1,759,917 (2021: Shs. 623,176). An expected credit loss amounting to Shs. 1,136,741 (2021: Shs. 209,492) has been recognised under profit or loss.

The carrying amounts of the company's cash and cash equivalents are denominated in the following currencies:

	2022 Shs '000	**2021 Shs '000**
Kenya Shillings	10,975	11,401
United States Dollar	209,494	55,825
Euro	9,864	16,033
Great Britian Pound	1,761	12
	232,095	83,271

17. **Trade and other payables**

Trade payables	24,297	13,054
Accruals for safaris	165,360	76,034
Deferred income	86,261	85,199
Accruals and other payables	17,581	13,058
Amount due to related party (Note 20)	1,315	4,273
	294,814	191,619

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair value.

The carrying amounts of the company's trade and other payables are denominated in the following currencies:	**2022 Shs '000**	**2021 Shs '000**
Kenya Shillings	269,261	177,782
United States Dollar	22,507	9,820
Euro	1,747	68
Indian Rupees	1,125	3,778
South African Rand	175	171
	294,814	191,619

NOTES (CONTINUED)

17. **Trade and other payables (continued)**

The maturity analysis of the trade and other payables is as follows:

	Up to 3 months Shs '000	4 to 12 months Shs '000	Total Shs '000
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
Year ended 31 December 2021			
Trade payables	12,416	638	13,054
Accruals for safaris	56,362	19,672	76,034
Deferred income	11,799	73,400	85,199
Accruals and other payables	13,058	-	13,058
Amounts due to related party	4,045	228	4,273
	97,681	93,938	191,619

18. **Borrowings**

	2022 Shs '000	2021 Shs '000
Borrowings from shareholder (Note 20)	-	38,471

The borrowing facilities expiring within one year are subject to review at various dates during the next financial year.

The borrowings are unsecured.

There were no undrawn facilities at the reporting date.

Weighted average effective interest rates on shareholders loans at the reporting date was 2.58% to 6.26%.

In the opinion of the directors, the carrying amounts of short-term borrowings approximate their fair value.

The carrying amounts of the company's borrowings are denominated in United States Dollar.

19. **Cash from/(used in) operations**

Reconciliation of profit/(loss) before tax to cash from/(used) from operations:	2022 Shs '000	2021 Shs '000
Profit/(loss) before tax	100,524	(23,104)
Adjustments for:		
Depreciation on property and equipment (Note 11)	10,556	11,022
Depreciation on right-of-use assets (Note 13)	8,103	8,070
Amortisation of intangible assets (Note 12)	395	545
Interest expense on lease liabilities (Note 9)	1,556	1,652
(Gain) on disposal of property and equipment	(1,909)	(1,584)
Interest (income)	(652)	(512)
Net foreign exchange (gain) (Note 5)	(18,487)	(3,050)
Changes in working capital:		
- inventories	(1,622)	2,906
- trade and other receivables	(15,597)	(8,867)
- trade and other payables	103,195	10,018
Cash from/(used in) operations	186,062	(2,904)

NOTES (CONTINUED)

20. **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:	2022 Shs '000	2021 Shs '000
i) **Sale of goods and services to other related party**	11,919	-
ii) **Purchase of goods and services from other related party**	54,154	-
iii) **Interest charged on shareholders loan (Note 5)**	1,411	1,171
iv) **Key management compensation**		
Salaries and other short term benefits - directors	14,455	11,985
v) **Outstanding balances arising from sale and purchase of goods/services/property/other transactions**		
Borrowings from shareholder (Note 18)	-	38,471
Amount due from related parties (Note 15) - Parent	3,541	37
Amount due to related parties (Note 17) - Other related parties	1,315	4,273

21. **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/(loss) 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.

	2022 Shs '000	2021 Shs '000
Effect of profit/(loss) - (decrease)/increase	17,002	4,785

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.

21. **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/(loss) 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.

	2022 Shs '000	2021 Shs '000
Effect on profit/(loss) - (decrease)/increase	1,026	396

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.

NOTES (CONTINUED)

21. **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 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
Basis for measurement of loss allowance	
As at 31 December 2021	
Trade receivables	5,657
Cash and cash equivalents	83,685
Gross carrying amount	89,342
Loss allowance	(5,086)
Exposure to credit risk	84,256

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.

21. **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 2022	29,154	(1,995)	4,266	432	3,759	35,616
As at 31 December 2021	3,707	760	2,043	1,492	(2,345)	5,657

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 2022**	**Trade receivables Shs '000**	**Cash and cash equivalents Shs '000**	**Total Shs**
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)
Year ended 31 December 2021			
At start of year	(4,215)	(414)	(4,629)
Changes relating to assets	(248)	(209)	(457)
At end of year	(4,463)	(623)	(5,086)

(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, 18 and 9 disclose the maturity analysis of trade and other payables, borrowings 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)

21. **Risk management objectives and policies (continued)**

Financial risk management (continued)

(c) **Liquidity risk (continued)**

Year ended 31 December 2022	**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	-	290,950	3,864	294,814
Interest bearing liabilities				
- Lease liabilities	11.5% - 14%	5,599	2,474	8,073
		296,549	6,338	302,887
Year ended 31 December 2021				
Non interest bearing liabilities:				
- Trade and other payables	-	184,712	6,907	191,619
Interest bearing liabilities				
- Lease liabilities	11.5% - 14%	9,548	8,073	17,621
- Borrowings	2.58% - 6.26%	39,642	-	39,642
		194,260	14,980	209,240

22. **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.

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

1. DIRECT COSTS	2022 Shs '000	2021 Shs '000
Accomodation and meals expenses	970,187	424,483
Entrance and parking fees	119,526	33,425
Transport	192,014	66,773
Fuel	9,358	6,612
Repairs and maintenance	4,127	2,252
Driver's allowance	4,102	2,453
Commission	11,469	4,152
Excursion and transport	9,239	4,786
Spare parts, tyres and tubes expenses	1,590	879
Other costs	2,838	2,177
Total direct costs	1,324,450	547,992

2. **ADMINISTRATIVE EXPENSES**

	2022 Shs '000	2021 Shs '000
Employment:		
Salaries and wages	91,842	62,182
Staff medical	5,173	4,777
Staff training and recruitment	45	42
Other staff costs	6,413	5,290
Total employment costs	103,473	72,291
Other administrative expenses:		
Director's remuneration	14,455	11,985
Promotions and sales support	3,251	2,116
Printing and stationery	867	695
Postages and telephones	2,228	1,568
Travelling and entertainment	3,213	1,784
Audit fees:		
- current year	1,455	1,476
- underprovision in prior years	11	-
Computer expenses	12,725	12,371
Legal and professional fees	727	(17)
Secretarial charges	112	112
Subscriptions	281	281
Bank charges	1,281	1,695
Gifts and donations	40	30
Sales agent fees	4,984	3,686
Miscellaneous expenses	2,835	751
Total other administrative expenses	48,465	38,533
Total administrative expenses	151,938	110,824

SCHEDULE OF DIRECT COSTS AND EXPENDITURE (CONTINUED)

3. OTHER OPERATING EXPENSES	2022 Shs '000	2021 Shs '000
Establishment:		
Light and water	2,201	2,162
Service charge and parking	3,374	1,202
Licences	381	1,029
Security	284	271
Repairs and maintenance	291	185
Insurance	1,039	967
Amortisation of intangible assets	395	545
Depreciation on property and equipment	10,556	11,022
Depreciation on right of use assets	8,103	8,070
Total other operating expenses	26,624	25,453

4. FINANCE (INCOME)

Interest expense on lease liabilities	1,556	1,652
Interest expense on shareholder's loan	1,411	1,171
Realised exchange losses	(1,705)	1,285
Unrealised foreign exchange (gain)	(16,782)	(4,335)
Total finance (income)	(15,520)	(227)

Kuoni Private Safaris Proprietary Limited
(Registration number 2002/030353/07)
Financial statements
for the year ended 31 December 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Providing services as a destination management company
Directors	V Barnard MK Menon
Registered office	Ground Floor Block 3 Northgate Park Corner Section Street and Platinum Road Cape Town, South Africa 7405
Business address	Ground Floor Block 3 Northgate Park Corner Section Street and Platinum Road Cape Town, South Africa 7405
Ultimate holding company	Fairfax Financial Holdings Group incorporated in Toronto, Canada
Bankers	Standard Bank of South Africa Limited
Reviewers	LPH Services Proprietary Limited
Secretary	S Godfrey
Level of assurance	These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were internally compiled by: J L du Preez, Du Preez & Partners Inc. Chartered Accountants (S.A.)

Contents

The reports and statements set out below comprise the financial statements presented to the shareholder:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2023 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's independent reviewers and their report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 44, which have been prepared on the going concern basis, were approved by the directors on 22 August 2023 and were signed on their behalf by:

Approval of financial statements

V Barnard	**MK Menon**

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Kuoni Private Safaris Proprietary Limited for the year ended 31 December 2022.

1. Nature of business

Kuoni Private Safaris Proprietary Limited was incorporated in South Africa. The company is engaged in providing services as a destination management company and operates principally in South Africa. It's subsidiary provides similar services and operates principally out of Namibia.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The directors do not recommend the declaration of a dividend for the year (2021: Nil).

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality
V Barnard	Chairperson	Executive	
MK Menon		Executive	

6. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the financial statements in note 5.

The interest of the company in the profits and losses of its subsidiaries for the year ended 31 December 2022 are as follows:

	Company	
	2022 R	2021 R
Subsidiaries		
Total profits (losses) before income tax	1,504,165	(3,038,940)

The company posted an operating loss before income tax, which was exacerbated by the COVID-19 global pandemic and the consequential impact on tourism and international economies. Management has implemented austerity measures from April 2020 aimed at reducing overhead costs until such time that there is a significant upturn in international travel. The company's turnaround strategy of approximately two to three years has thus been affected in the short term and the return to normal operations and profitability may therefore prolong beyond this estimated timeframe.

7. Ultimate holding company

The company's ultimate holding company is Fairfax Financial Holdings Group which is incorporated in Toronto, Canada.

Directors' Report

8. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year, up to and including the date of the annual financial statements were approved, not otherwise dealt with in this report or the annual financial statements, that would significantly affect the operations of the company or the results of the opeartions.

9. Going concern

We draw attention to the fact that at 31 December 2022, the company had accumulated losses of R (29,222,288) (2021: R 22,815,088) and that the company's total liabilities exceed its total assets by R (28,722,288) (2021: R 22,315,088).

Following the severe disruption in international travel and to business operations arising from the COVID-19 global pandemic in recent years, the company and its subsidiary are embarking on a road to recovery and displaying improved results in increased business activity and trading performance.

Whilst trading activity clearly reflects an upward trajectory in revenue, the director and shareholders acknowledge that the recovery period will take several years to reach a position whereby the company may again produce profitable results, despite material uncertainty over recent years' operating losses.

Consequently, the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern has been confirmed through the intervention of the company's shareholder, which continues to provide financial support to enable the company to meet its liabilities in the ordinary course of business and which shall extend to at least the next financial year end.

Also, the fact that the total liabilities exceed the assets has not hindered the company's ability to pay its debts as they have become due in the normal course of business.

10. Review

The financial statements are subject to an independent review and have been reviewed by LPH Services Proprietary Limited.

11. Secretary

The company secretary to 31 January 2023 was Ms S Godfrey.

Thereafter effective 1 February 2023, Ms S Kemp was appointed.

12. Employees

The average number of employees for the year under review was 29 (2021: 26).

Independent Reviewer's Report

To the Shareholder of Kuoni Private Safaris Proprietary Limited

We have reviewed the financial statements of Kuoni Private Safaris Proprietary Limited, set out on pages 9 to 43, which comprise the statement of financial position as at 31 December 2022, 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.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, 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.

Independent Reviewer's Responsibility

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

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Kuoni Private Safaris Proprietary Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Emphasis of Matter - Going concern

We draw attention to Note 9 of the Directors' Report, which deals with the going concern assumption and specifically the possible effects of the accumulated assessed loss on the Annual Financial Statements of Kuoni Private Safaris Proprietary Limited. Management have also described how they plan to deal with the effects of the accumulated assessed loss on the going concern assumption. Our opinion is not modified in respect of this matter.

LPH Chartered Accountants Inc. Registered Auditors
Registration No: 1998/020830/21
IRBA Practice No: 900537
LPH Services (Pty) Ltd
Registration No: 2018/565454/07

tel: 021 448 1360
fax: 021 448 2157
email: info@lph.co.za
web: www.lph.co.za

Physical Address:
Old Warehouse Building
Black River Park, Fir Street
Observatory
Cape Town, 7925

Postal Address:
P O Box 14043
Mowbray 7705
Cape Town

Independent Reviewer's Report

Other Reports Required by the Companies Act of South Africa

The financial statements include the Directors' Report as required by the Companies Act of South Africa. The directors are responsible for the Directors' Report. Our conclusion on the financial statements does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the Directors' Report and, in doing so, considered whether the Directors' Report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we will report that fact. We have nothing to report in this regard.

drH

LPH Services Proprietary Limited
Per: CA Kempen
Director
Chartered Accountant (SA)

23 AUGUST 2023

Statement of Financial Position as at 31 December 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	842,937	2,866,854
Intangible assets	4	160,488	117,248
Investments in subsidiaries	5	-	-
Deferred tax	6	-	-
		1,003,425	**2,984,102**
Current Assets			
Loans to related parties	7	583	4,300,583
Trade and other receivables	8	15,165,060	9,448,170
Prepayments	9	4,219,246	911,856
Current tax receivable		-	221,271
Cash and cash equivalents	10	13,713,156	2,223,787
		33,098,045	**17,105,667**
Total Assets		**34,101,470**	**20,089,769**
Equity and Liabilities			
Equity			
Share capital	11	500,000	500,000
Accumulated loss		(29,222,288)	(22,815,088)
		(28,722,288)	**(22,315,088)**
Liabilities			
Non-Current Liabilities			
Lease liabilities	12	-	464,049
Loans from group companies	13	23,650,850	22,184,400
		23,650,850	**22,648,449**
Current Liabilities			
Trade and other payables	14	35,288,327	13,661,745
Lease liabilities	12	383,743	2,742,745
Provisions	15	3,500,838	3,351,918
		39,172,908	**19,756,408**
Total Liabilities		**62,823,758**	**42,404,857**
Total Equity and Liabilities		**34,101,470**	**20,089,769**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue	16	70,592,033	6,283,435
Cost of sales		(60,668,434)	(5,443,042)
Gross profit		**9,923,599**	**840,393**
Other operating income	17	1,683,036	2,208,649
Other operating losses	18	(1,355,779)	(1,920,346)
Other operating expenses		(15,343,820)	(12,368,370)
Operating loss	19	**(5,092,964)**	**(11,239,674)**
Investment income	20	353,747	294,968
Finance costs	21	(1,662,775)	(819,341)
Loss before taxation		**(6,401,992)**	**(11,764,047)**
Taxation	22	(5,208)	-
Loss for the year		**(6,407,200)**	**(11,764,047)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(6,407,200)**	**(11,764,047)**

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 January 2021	**500,000**	**(11,051,041)**	**(10,551,041)**
Loss for the year	-	(11,764,047)	(11,764,047)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	**-**	**(11,764,047)**	**(11,764,047)**
Balance at 01 January 2022	**500,000**	**(22,815,088)**	**(22,315,088)**
Loss for the year	-	(6,407,200)	(6,407,200)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	**-**	**(6,407,200)**	**(6,407,200)**
Balance at 31 December 2022	**500,000**	**(29,222,288)**	**(28,722,288)**
Note(s)	11		

Kuoni Private Safaris Proprietary Limited
(Registration number 2002/030353/07)
Financial Statements for the year ended 31 December 2022

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from/(used in) operations	23	9,859,688	(8,344,449)
Interest income	20	353,747	294,968
Finance costs	21	(1,662,775)	(819,341)
Tax received	24	216,063	-
Net cash from operating activities		**8,766,723**	**(8,868,822)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(497,486)	(19,297)
Sale of property, plant and equipment	3	356,733	15,987
Purchase of intangible assets	4	(80,000)	(17,991)
Net movements on loans to/from related parties	7	5,766,450	9,958,781
Net cash from investing activities		**5,545,697**	**9,937,480**
Cash flows from financing activities			
Payments on lease liabilities	12	(2,823,051)	(2,281,717)
Total cash movement for the year		**11,489,369**	**(1,213,059)**
Cash and cash equivalents at the beginning of the year		2,223,787	3,436,846
Cash and cash equivalents at the end of the year	10	**13,713,156**	**2,223,787**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act of South Africa as amended.

These financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with International Financial Reporting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Loans and receivables/impairment

The company assesses its loans and receivables for impairment at each balance sheet date. in determining whether an impairment loss should be recorded in the income statement, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Key sources of estimation uncertainty

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as estimated discounted cash flows and are used to determine fair value of financial instruments. Discounting factors are based on assumptions that correlated to market conditions existing at each balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by disounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 15.

Taxation and Deferred Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabiities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. assessing the recoverability of deferred tax assets requires the company to make significant estimates related to expextations of future taxable income. Estimates of future taxable income are based on forescast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the future cash flows and taxable income defer significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years

Accounting Policies

1.3 Property, plant and equipment (continued)

Office equipment	Straight line	3 years
Computer equipment - PC	Straight line	5 years
Computer equipment - Server	Straight line	5 years
Leasehold improvements	Straight line	5 years
Right of use assets	Straight line	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

The gain or loss arising from the derecognition of an intangible asset is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 years

1.5 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company plus any costs directly attributable to the purchase of the subsidiary.

1.6 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

Accounting Policies

1.6 Financial instruments (continued)

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 27 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised 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.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Accounting Policies

1.6 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans to related parties (note 7), loans to shareholders (note), loans to directors, managers and employees (note), and loans receivable (note) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 20).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

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

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Accounting Policies

1.6 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 20).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 8.

Accounting Policies

1.6 Financial instruments (continued)

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 19).

Borrowings and loans from related parties

Classification

Loans from group companies (note 7), loans from shareholders (note) and borrowings (note) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

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

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

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 21.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 21).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Accounting Policies

1.6 Financial instruments (continued)

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.7 Financial instruments: IAS 39 comparatives

Classification

The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category. Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Accounting Policies

1.7 Financial instruments: IAS 39 comparatives (continued)

Loans to (from) related parties

This includes a loan to the company's subsidiary and is recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.8 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.9 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Accounting Policies

1.9 Leases (continued)

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 19) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the company is a lessee are presented in note 12 Leases (company as lessee).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:
- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

1.10 Leases (Comparatives under IAS 17)

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.11 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:
- tests goodwill acquired in a business combination for impairment annually.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

Accounting Policies

1.11 Impairment of assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.13 Share based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in , are measured, indirectly, by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

Market conditions and non-vesting conditions are taken into account when estimating the fair value of the cash-settled share-based payment.

If the share based payments granted do not vest until the counterparty completes a specified period of service, company accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

If the share based payments vest immediately the services received are recognised in full.

Accounting Policies

1.13 Share based payments (continued)

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded, as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

As an exception, when the company is obligated, in terms of tax legislation, to withhold an amount of employees' tax associated with an equity-settled share-based payment transaction (thus creating a net settlement feature), the full transaction is still accounted for as an equity-settled share-based payment transaction.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a 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 obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.16 Revenue from contracts with customers

The company recognises revenue from the following major sources:
- Fees received for travelling administration

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

1.17 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.18 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of .

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
• Annual Improvement to IFRS Standards 2018-2020: (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	01 January 2022
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022

The directors have assessed the adoption of these amendments and have concluded that the amendments do not have a material impact on the financial statements.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact

The directors are in the process of assessing the aggregate impact of the initial application of the standards and interpretations on the company's annual financial statements, but it is not expected to be material.

Notes to the Financial Statements

3. Property, plant and equipment

	2022			2021		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Office equipment	-	-	-	19,297	(1,072)	18,225
Computer equipment - PC	1,132,689	(675,976)	456,713	783,463	(782,371)	1,092
Computer equipment - Server	1,156,552	(1,054,967)	101,585	1,156,552	(984,891)	171,661
Furniture and fixtures	694,731	(694,090)	641	722,444	(617,889)	104,555
Leasehold improvements	1,632,479	(1,630,158)	2,321	1,632,479	(1,330,457)	302,022
Right of use asset	6,725,003	(6,443,326)	281,677	7,633,337	(5,364,038)	2,269,299
Total	**11,341,454**	**(10,498,517)**	**842,937**	**11,947,572**	**(9,080,718)**	**2,866,854**

Reconciliation of property, plant and equipment - 2022

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Office equipment	18,225	-	(18,225)	-	-
Computer equipment - PC	1,092	489,098	-	(33,477)	456,713
Computer equipment - Server	171,661	-	-	(70,076)	101,585
Furniture and fixtures	104,555	8,388	(10,098)	(102,204)	641
Leasehold improvements	302,022	-	5,897	(305,598)	2,321
Right of use asset	2,269,299	-	(339,997)	(1,647,625)	281,677
	2,866,854	**497,486**	**(362,423)**	**(2,158,980)**	**842,937**

Reconciliation of property, plant and equipment - 2021

	Opening balance	**Additions**	**Depreciation**	**Total**
Office equipment	-	19,297	(1,072)	18,225
Computer equipment - PC	36,098	-	(35,006)	1,092
Computer equipment - Server	243,866	-	(72,205)	171,661
Furniture and fixtures	217,688	-	(113,133)	104,555
Leasehold improvements	628,517	-	(326,495)	302,022
Right of use asset	4,127,599	-	(1,858,300)	2,269,299
	5,253,768	**19,297**	**(2,406,211)**	**2,866,854**

Notes to the Financial Statements

4. Intangible assets

	2022			2021		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Trademarks	294,839	(217,399)	77,440	294,839	(194,636)	100,203
Computer software	6,683,855	(6,600,807)	83,048	6,603,855	(6,586,810)	17,045
Total	**6,978,694**	**(6,818,206)**	**160,488**	**6,898,694**	**(6,781,446)**	**117,248**

Reconciliation of intangible assets - 2022

	Opening balance	**Additions**	**Amortisation**	**Total**
Trademarks	100,203	-	(22,763)	77,440
Computer software	17,045	80,000	(13,997)	83,048
	117,248	**80,000**	**(36,760)**	**160,488**

Reconciliation of intangible assets - 2021

	Opening balance	**Additions**	**Amortisation**	**Total**
Trademarks	122,967	-	(22,764)	100,203
Computer software	209,273	17,991	(210,219)	17,045
	332,240	**17,991**	**(232,983)**	**117,248**

5. Interests in subsidiaries

Name of company	**% holding 2022**	**% holding 2021**	**Carrying amount 2022**	**Carrying amount 2021**
Kuoni Private Safaris Namibia Proprietary Limited	100.00 %	100.00 %	-	-

The carrying amounts of subsidiaries are shown at cost net of impairment losses.

An amount of R4,200,000 was impaired in earlier years.

Notes to the Financial Statements

6. Deferred tax

Deferred tax asset

Property plant and equipment	22,565	21,423
Income received in advance	3,311,806	386,858
Provisions & lease liability	719,660	835,320
Investment	1,134,000	1,176,000
Total deferred tax asset	**5,188,031**	**2,419,601**

Reconciliation of deferred tax asset / (liability)

At beginning of year	-	-
Change in temporary difference movement on property, plant and equipment	1,141	5,261
Change in temporary difference on provisions	(8,650)	306,086
Change in temporary difference on prepayments	-	-
Change in temporary difference on income received in advance	2,924,948	251,199
Change in temporary difference on lease liability	(107,009)	(319,373)
Deferred tax asset not recognised	(2,768,430)	(243,173)
Change in temporary difference on investment	(42,000)	-
	-	-

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

No deferred tax asset has been recognised on the assessed loss as it is unlikely that this will be utilised over the next 12 months.

Notes to the Financial Statements

7. Loans to related parties

Subsidiaries

Kuoni Private Safaris Namibia Proprietary Limited The loan bore interest at 7% per annum and was repayable within 12 months from the date of agreement. The loan was fully settled during the year.	-	4,300,000
Security for the full value of the loan was provided by group shareholders, Travel Circle International (Mauritius) Ltd.		
Sisipho Trust The loan is unsecured, bears no interest and has no fixed terms of repayment. The loan was impaired during earlier years.	583	583
	583	**4,300,583**

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Exposure to currency risk

The company is exposed to currency risk related to certain group loans receivable which are denominated in a foreign currency. Management has decided not to make use of foreign exchange contracts to hedge the risk.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Loans to subsidiaries

The net carrying amounts, in Rand, of loans to subsidiaries, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

Currency amount		
Rand	583	4,300,583

Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts.

8. Trade and other receivables

Financial instruments:		
Trade receivables	12,954,958	8,155,503
Accrued income	799,449	-
Loss allowance	-	(91,305)
Trade receivables at amortised cost	13,754,407	8,064,198
Other receivables	951,019	824,844
Non-financial instruments:		
VAT	459,634	559,128
Total trade and other receivables	**15,165,060**	**9,448,170**

Split between non-current and current portions

Current assets	15,165,060	9,448,170

Notes to the Financial Statements

Figures in Rand	2022	2021

8. Trade and other receivables (continued)

Financial instrument and non-financial instrument components of trade and other receivables

	2022	2021
At amortised cost	14,705,426	8,889,042
Non-financial instruments	459,634	559,128
	15,165,060	**9,448,170**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical inormation about counterparty default rates. Long standing trading relationships exist with most of the company's customers and the company reviews the credit history, predominantly based on its own records, on a cyclical basis. Based on this, the company considers the credit quality of all fully performing amounts as satisfactory.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	2022	2021
Opening balance in accordance with IFRS 9	(91,305)	(91,305)
Movement in allowance	91,305	-
Closing balance	-	**(91,305)**

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

The net carrying amounts, in foreign currency of the above exposure was as follows:

	2022	2021
Foreign currency amount		
US Dollar	510,127	16,918
Euro	-	-
	510,127	**16,918**

	2022	2021
Rand per unit of foreign currency:		
US Dollar	17.015	15.960
Euro	18.159	18.140

Notes to the Financial Statements

Figures in Rand	2022	2021

8. Trade and other receivables (continued)

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

9. Prepayments

Prepayments consists of expenses relating to the provision of services paid in advanced to secure preferential rates and early confirmation from suppliers. Prepayments are not discounted and are recognised and subsequently measured at cost.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022	2021
Cash on hand	8,155	38,652
Bank balances	9,737,847	1,717,981
Short-term deposits	3,967,154	467,154
	13,713,156	**2,223,787**

Cash and cash equivalents pledged as security

	2022	2021
Total cash and cash equivalents pledged as security for bank facilities	350,000	350,000

The Standard Bank of South Africa Limited has issued guarantees to some of the company's trade creditors totalling ZAR 350,000 (2021: ZAR 350,000).

The guarantees serve to secure credit terms with some of the company's suppliers and become payable on default. There have been no defaults during the current or any preceding period to date.

11. Share capital

	2022	2021
Authorised		
5,000 Ordinary shares of ZAR 100 each	500,000	500,000
Issued		
5,000 Ordinary shares of ZAR 100 each	500,000	500,000

The company is a private company and accordingly the right to transfer its shares is restricted and any invitation to the public to subcribe for any shares or debentures of the company is prohibited.

12. Leases (company as lessee)

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	2022	2021
PPE subject to operating lease arrangements	281,677	2,269,299

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 19), as well as depreciation which has been capitalised to the cost of other assets.

Notes to the Financial Statements

Figures in Rand	2022	2021

12. Leases (company as lessee) (continued)

Interest and expenses related to the lease

Interest expense on lease liabilities	132,996	324,311
Income from subleasing right-of-use assets	(469,886)	(1,112,872)
Depreciation	1,647,625	1,858,299
	1,310,735	**1,069,738**

Lease liabilities

Lease liabilities have been included in the borrowings line item on the statement of financial position.

The maturity analysis of lease liabilities is as follows:

Within one year	383,743	2,742,745
Two to five years	-	464,049
	383,743	**3,206,794**

Non-current liabilities	-	464,049
Current liabilities	383,743	2,742,745
	383,743	**3,206,794**

13. Loans from group companies

Holding company

Travel Circle International (Mauritius) Ltd This loan comprises working capital loans issued as a result of the COVID-19 pandemic. The loan bears interest at 7% per annum. The loan is unsecured and has no fixed terms of repayment, but payment is not due before 31 December 2023.	23,650,850	22,184,400

Exposure to currency risk

Loans from holding company

The net carrying amounts, in Rand, of loans from the holding company, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

Currency amount		
US Dollar	23,650,850	22,184,400

14. Trade and other payables

Financial instruments:		
Trade payables	19,527,292	10,178,266
Brochure contributions	451,939	1,111,645
Accrued expenses	2,696,400	771,065
Other payables	346,748	219,135
Non-financial instruments:		
Amounts received in advance	12,265,948	1,381,634
	35,288,327	**13,661,745**

Figures in Rand	2022	2021

14. Trade and other payables (continued)

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	23,022,379	12,280,111
Non-financial instruments	12,265,948	1,381,634
	35,288,327	**13,661,745**

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies.

Rand Amount		
Rand	13,741,481	5,934,405
US Dollar	532,486	211,875
Euro	522,535	109
Swiss CHF	1,973,869	1,896,449
INR Indian Rupees	2,756,921	2,135,428
	19,527,292	**10,178,266**

Fair value of trade and other payables

Credit purchases are accepted and, for the greater part, settled on normal trading terms, thus the carrying values reasonably approximate fair values.

15. Provisions

Reconciliation of provisions - 2022

	Opening balance	**Additions**	**Utilised during the year**	**Total**
Provision for assurance fees	193,116	223,116	(193,116)	223,116
Provision for credit notes	2,466,122	502,250	(1,376,941)	1,591,431
Short term employees benefits	182,168	(57,499)	114,998	239,667
Short term provision overheads	510,512	936,112	-	1,446,624
	3,351,918	**1,603,979**	**(1,455,059)**	**3,500,838**

Reconciliation of provisions - 2021

	Opening balance	**Additions**	**Utilised during the year**	**Total**
Provision for assurance fees	126,500	193,116	(126,500)	193,116
Provision for credit notes	1,554,351	502,250	409,521	2,466,122
Short term employees benefits	266,458	84,289	(168,579)	182,168
Short term provision overheads	311,444	510,512	(311,444)	510,512
	2,258,753	**1,290,167**	**(197,002)**	**3,351,918**

16. Revenue

Revenue from contracts with customers

Fees received for travelling administration	70,592,033	6,283,435

Notes to the Financial Statements

Figures in Rand		2022	2021

16. Revenue (continued)

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

		2022	2021
Rendering of services			
Fees received for travelling administration		70,592,033	6,283,435
Geographical split of revenue			
Africa (Southern)		25,452,687	64,600
America (Northern)		3,060,201	492,106
America (Sourthern)		1,805,387	545,099
Asia (Southern)		785,479	551,265
Europe (Eastern)		1,487,171	358,464
Europe (Northern)		-	36,227
Europe (Sourthern		145,719	-
Europe (Western)		38,222,468	4,281,881
IRFS 15 Credit Note Accrual		(367,079)	(46,207)
		70,592,033	**6,283,435**
Timing of revenue recognition			
At a point in time			
Fees received for travelling administration		70,592,033	6,283,435

17. Other operating income

		2022	2021
Commissions received		33,446	-
Rental income		469,886	1,112,872
Net gain on cost of sales		685,611	608,257
Marketing income		494,093	487,520
		1,683,036	**2,208,649**

18. Other operating gains (losses)

		2022	2021
Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	3	(5,687)	15,987
Foreign exchange gains (losses)			
Net foreign exchange loss		(1,350,092)	(1,936,333)
Total other operating gains (losses)		**(1,355,779)**	**(1,920,346)**

19. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

		2022	2021
Professional services			
Assurance fees		185,000	245,116

Employee costs

Notes to the Financial Statements

Figures in Rand	2022	2021
19. Operating profit (loss) (continued)		
Salaries, wages, bonuses and other benefits	7,787,497	5,341,154
Parking	-	10,968
Other short-term costs and allowances	89,234	21,105
Long term incentive scheme	372,320	15,000
Total employee costs	**8,249,051**	**5,388,227**
Depreciation and amortisation		
Depreciation of property, plant and equipment	511,356	547,912
Depreciation of right-of-use assets	1,647,626	1,858,300
Amortisation of intangible assets	36,760	232,982
Total depreciation and amortisation	**2,195,742**	**2,639,194**

20. Investment income

Interest income		
Investments in financial assets:		
Surplus funds	138,243	18,765
Loans to group companies:		
Subsidiaries	215,504	276,203
Total interest income	**353,747**	**294,968**

21. Finance costs

Loans from group companies	1,529,779	495,030
Lease liability (right of use asset)	132,996	324,311
Total finance costs	**1,662,775**	**819,341**

22. Taxation

Major components of the tax expense

Current		
Secondary tax on companies	5,208	-

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting loss	(6,401,992)	(11,764,047)
Tax at the applicable tax rate of 28% (2021: 28%)	(1,792,558)	(3,293,933)
Tax effect of adjustments on taxable income		
Deferred tax asset on assessed loss not recognised	1,792,558	3,293,933
	-	-

No provision has been made for 2022 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R (29,045,309) (2021: R 32,547,854).

Figures in Rand	2022	2021

23. Cash generated from/(used in) operations

Loss before taxation	(6,401,992)	(11,764,047)
Adjustments for non-cash items:		
Depreciation and amortisation	2,195,742	2,639,194
(Gains) losses on disposals, scrappings and settlements of assets and liabilities	5,687	(15,987)
Losses on exchange differences	1,350,092	1,936,333
Movements in provisions	148,920	1,093,165
Adjust for items which are presented separately:		
Interest income	(353,747)	(294,968)
Finance costs	1,662,775	819,341
Changes in working capital:		
(Increase) decrease in trade and other receivables	(7,066,981)	(3,056,222)
(Increase) decrease in prepayments	(3,307,390)	(369,504)
Increase (decrease) in trade and other payables	21,626,582	668,246
	9,859,688	**(8,344,449)**

24. Tax refunded

Balance at beginning of the year	221,271	221,271
Current tax recognised in profit or loss	(5,208)	-
Balance at end of the year	-	(221,271)
	216,063	**-**

Figures in Rand	2022	2021

25. Related parties

Relationships

Ultimate holding company	Fairfax Financial Holdings Group
Subsidiaries	Refer to note 5
Shareholder	Travel Circle International (Mauritius) Ltd
Parent companies	SOTC Travel Limited
Associates	Thomas Cook India Ltd
Fellow subsidiaries	Desert Adventures Tourism LLC, Dubai, UAE Asian Trails Holdings Ltd, Mauritius Reem Tours & Travels LLC, Dubai Gulf Dunes LLC, Dubai Private Safaris (East Africa) Ltd. (Kenya) Kuoni Australia Holding Pty. Ltd. DEI Holdings Limited (UAE)
Members of key management	V Barnard S Godfrey

Related party balances

	2022	2021
Loan accounts - Owing (to) by related parties		
Kuoni Private Safaris Namibia Proprietary Limited	-	4,300,000
Travel Circle International (Mauritius) Ltd	(23,650,850)	(22,184,400)
Amounts included in Trade receivable		
Kuoni Private Safaris Namibia Proprietary Limited	7,537,106	6,868,026
Private Safaris (East Africa) Limited	24,066	24,066
Amounts included in Trade payables		
Desert Adventures Tourism	(12,999)	(12,193)
SOTC Travel Limited	(67,207)	(34,034)
Travel Corporation India Ltd	(154,572)	7,486
Thomas Cook India Ltd	(2,689,714)	(2,101,394)

Related party transactions

	2022	2021
Interest paid to (received from)		
Kuoni Private Safaris Namibia Proprietary Limited	(215,504)	(276,203)
Travel Circle International (Mauritius) Ltd	1,529,779	495,030
Sales		
Kuoni Private Safaris Namibia Proprietary Limited	(744,978)	(475,725)
Expenditure from related parties		
Kuoni Private Safaris Namibia Proprietary Limited	69,418	7,093
Travel Corporation India Ltd	113,030	22,821
Thomas Cook India Ltd	539,118	414,636
Rent paid to (received from) related parties		
Bryte Insurance Company Limited	(469,886)	(967,841)
Compensation to directors and other key management		
Short-term employee benefits	2,595,600	1,837,530

Notes to the Financial Statements

Figures in Rand	2022	2021

26. Directors' emoluments

Executive

2022

Directors' emoluments	**Emoluments**	**Total**
V Barnard	1,032,000	1,032,000
	1,032,000	**1,032,000**

2021

Directors' emoluments	**Emoluments**	**Total**
V Barnard	978,318	978,318
	978,318	**978,318**

27. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Note(s)	**Amortised cost**	**Total**	**Fair value**
Loans to related parties	7	583	583	583
Trade and other receivables	8	14,705,426	14,705,426	14,705,426
Cash and cash equivalents	10	13,713,156	13,713,156	13,713,156
		28,419,165	**28,419,165**	**28,419,165**

2021

	Note(s)	**Amortised cost**	**Total**	**Fair value**
Loans to related parties	7	4,300,583	4,300,583	4,300,583
Trade and other receivables	8	8,889,042	8,889,042	8,889,042
Cash and cash equivalents	10	2,223,787	2,223,787	2,223,787
		15,413,412	**15,413,412**	**15,413,412**

27. Financial instruments and risk management (continued)

Categories of financial liabilities

2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	14	23,022,379	-	23,022,379	23,022,379
Loans from group companies	13	23,650,850	-	23,650,850	23,650,850
Lease liabilities	12	-	383,743	383,743	383,743
		46,673,229	**383,743**	**47,056,972**	**47,056,972**

2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	14	12,280,111	-	12,280,111	12,280,111
Loans from group companies	13	22,184,400	-	22,184,400	22,184,400
Lease liabilities	12	-	3,206,794	3,206,794	3,206,794
		34,464,511	**3,206,794**	**37,671,305**	**37,671,305**

Capital risk management

The company's objective when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 13, cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The capital structure and gearing ratio of the company at the reporting date was as follows:

	Note	2022	2021
Loans from shareholders	13	23,650,850	22,184,400
Lease liabilities		383,743	3,206,794
Trade and other payables	14	35,288,327	13,661,745
Total borrowings		**59,322,920**	**39,052,939**
Cash and cash equivalents	10	(13,713,156)	(2,223,787)
Net borrowings		**45,609,764**	**36,829,152**
Equity		(28,722,288)	(22,315,088)
Gearing ratio		(159)%	(165)%

27. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The company's overall risk management progarm 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 under policies approved by the directors.

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.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratingsin accordance with limits set by the board.

The utilisation of credit limits is regularly monitored. Credit loss allowances for expected credit losses are recognised for all debt instruments.

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to group companies	7	583	-	583	4,300,583	-	4,300,583
Trade and other receivables	8	15,165,060	-	15,165,060	9,539,476	(91,305)	9,448,171
Cash and cash equivalents	10	13,713,156	-	13,713,156	2,223,787	-	2,223,787
		28,878,799	**-**	**28,878,799**	**16,063,846**	**(91,305)**	**15,972,541**

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequaute utilised borrowing facilities are monitored.

Foreign currency risk

The company does not hedge foreign exchange fluctuations. At year end the following items are uncovered:

Notes to the Financial Statements

Figures in Rand		2022	2021

27. Financial instruments and risk management (continued)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:
Foreign currency exposure:

	Note	2022	2021
Current assets:			
Trade and other receivables	8	510,127	16,918
CFC bank accounts - USD	10	-	145,344
CFC bank accounts - EUR		(10,876)	23,052
Current liabilities:			
Trade creditors - USD	14	(532,486)	(211,875)
Trade creditors - EUR	10	(522,535)	(109)
Trade creditors - CHF		(1,973,869)	(1,896,449)
Trade creditors - INR		(2,756,921)	(2,135,428)
Net foreign currency exposure		**(5,286,560)**	**(4,058,547)**
Euro exposure:			
Non-current liabilities:			
Loan from group companies	13	(23,650,850)	(22,184,400)

Exchange rates

Rand per unit of foreign currency:	2022	2021
USD	17.015	15.960
EUR	18.159	18.150
AED	4.632	4.355
CHF	18.396	17.669
INR	0.205	0.218

Interest rate risk

The company is exposed to interest rate risk in South Africa and Namibia. The company does not make use of interest rate derivatives and is therefore only exposed to variable interest rates.

Change in market interest rates affect the interest income of non-derivative variable interest rate financial instruments, the interest payments are of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of the income related sensitivity.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2022	2022	2021	2021
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Cash and cash equivalents (1%)	137,132	(137,132)	22,238	(22,238)
Loans to related parties (1%)	-	-	178,838	(178,838)
	137,132	**(137,132)**	**201,076**	**(201,076)**

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Rendering of services		70,592,033	6,283,435
Cost of sales			
Purchases		(60,668,434)	(5,443,042)
Gross profit		**9,923,599**	**840,393**
Other operating income			
Commissions received		33,446	-
Other rental income		469,886	1,112,872
Prior year GOP income		685,611	608,257
Markerting income		494,093	487,520
	17	**1,683,036**	**2,208,649**
Other operating gains (losses)			
(Losses) gains on disposal of assets or settlement of liabilities		(5,687)	15,987
Foreign exchange losses		(1,350,092)	(1,936,333)
	18	**(1,355,779)**	**(1,920,346)**
Expenses (Refer to page 44)		**(15,343,820)**	**(12,368,370)**
Operating loss	19	**(5,092,964)**	**(11,239,674)**
Investment income	20	353,747	294,968
Finance costs	21	(1,662,775)	(819,341)
Loss before taxation		**(6,401,992)**	**(11,764,047)**
Taxation	22	(5,208)	-
Loss for the year		**(6,407,200)**	**(11,764,047)**

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Other operating expenses			
Accounting fees		(31,501)	(23,870)
Administration and management fees		(727,914)	(854,412)
Advertising		(200,850)	(23,201)
Amortisation		(36,760)	(232,982)
Assets < R7,500		(10,830)	(7,500)
Assurance fees	19	(185,000)	(245,116)
Bank charges		(151,829)	(68,052)
Consulting and professional fees		-	(9,315)
Depreciation		(2,158,982)	(2,406,212)
Donations		(1,800)	(1,360)
Employee costs		(8,249,051)	(5,388,227)
Entertainment		(8,549)	(1,495)
Group charges		(179,052)	(179,052)
Insurance		(194,003)	(151,040)
IT expenses		(1,911,813)	(1,642,610)
Lease rentals on operating lease		(254,297)	(259,830)
Office expenses		(195,744)	(178,426)
Promotions		(529,981)	(787,936)
Repairs and maintenance		(121,598)	(6,652)
Security		(7,371)	(6,708)
Subscriptions		(50,063)	(35,600)
Sundry expenses		(10,000)	-
Travel - local		(126,832)	141,226
		(15,343,820)	**(12,368,370)**

PT. ASIAN TRAILS INDONESIA

LAPORAN KEUANGAN/
FINANCIAL STATEMENTS

UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2022
FOR THE YEAR ENDED DECEMBER 31, 2022

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 2022/
FOR THE YEAR ENDED DECEMBER 31, 2022

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* : (0261) 285771
   Jabatan/*Position* : Direktur Utama/ *President Director*
2. Nama/*Name* : Bjorn Schimanski
   Alamat kantor/*Office address* : Jl By Pass Ngurah Rai No. 260
   Alamat domisili/*Domicile* : Jl Batursari Gang Villa Mimba No. 02, Sanur - Denpasar
   Nomor Telepon/*Phone Number* : (0261) 285771
   Jabatan/*Position* : Direktur Keuangan/ *Finance Director*

menyatakan bahwa:	*state that:*
1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan Perusahaan;	*1. We are responsible for the preparation and presentation of the financial statements of the Company;*
2. Laporan keuangan Perusahaan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;	*2. The financial statements of the Company have been prepared and presented in accordance with Indonesia Financial Accounting Standards;*
3. a. Semua informasi dalam laporan keuangan Perusahaan telah dimuat secara lengkap dan benar;	*3. a. All information contain in the financial statements of the Company is complete and correct;*
b. Laporan keuangan Perusahaan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;	*b. The financial statements of the Company do not contain misleading material information or facts, and do not omit material information and facts.*
4. Kami bertanggung jawab atas sistem pengendalian intern dalam Perusahaan.	*4. We are responsible for the Company internal control system.*
Demikian pernyataan ini dibuat dengan sebenarnya.	*This statement letter is made truthfully.*

Denpasar, 16 Januari 2023/*January 16, 2023*
Atas nama dan mewakili Direksi/
On behalf and represent Board of Director

SEPULUH RIBU RUPIAH 10000 METERAI TEMPEL 189B3AKX281083090

Rocky Wisuda Praputranto	Bjorn Schimanski
Presiden Direktur/	Direktur/
President Director	*Director*

PT. Asian Trails Indonesia, Jalan By Pass Ngurah Rai No. 260 Sanur Denpasar – Bali 80228 – Indonesia
T: +62 (0) 361 285 771 F: +62 (0) 361 281 515 www.asiantrails.travel

Laporan Auditor Independen

No. 00005/3.0330/AU.1/05/0596-3/1/I/2023

Pemegang Saham, Dewan Komisaris dan Direksi
PT. Asian Trails Indonesia

Kami telah mengaudit laporan keuangan PT. Asian Trails Indonesia ("Perusahaan") terlampir, yang terdiri dari laporan posisi keuangan pada tanggal 31 Desember 2022 serta laporan laba rugi komprehensif, perubahan ekuitas dan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung Jawab Manajemen atas 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.

Tanggung Jawab Auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasatkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oeh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengedalian internal entitas.

Independent Auditors' Report

No. 00005/3.0330/AU.1/05/0596-3/1/I/2023

The Stockholders, Boards of Commissioners and Directors
PT. Asian Trails Indonesia

We have audited the accompanying financial statements of PT. Asian Trails Indonesia ("the Company"), which comprise the statement of financial position as of December 31, 2022 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 information.

Management's Responsibility for The Financial Statements

Management is responsible for the presentation and fair presentation of such 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.

Auditors' Responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audits in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such 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 auditors' judgment, including the assessment of the risk of material misstatement of auditors 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 purpose of expressing an opinion on the effectiveness of the entity's internal control.

Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT. Asian Trails Indonesia pada tanggal 31 Desember 2022, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Opinion

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, 2022, and its financial performance and cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Penekanan suatu hal

Kami menaruh perhatian pada Catatan 26 atas laporan keuangan pada tanggal 31 Desember 2022 dan 2021. Lebih jauh, di awal tahun 2020, ekonomi dunia menghadapi ketidakpastian akibat dari pandemi Covid-19. Kondisi ini, bersama dengan hal-hal ini yang dijelaskan dalam Catatan 26 bahwa dampak spesifik terhadap bisnis, pendapatan dan nilai terpulihkan dari aset dan liabilitas Perusahaan belum memungkinkan untuk ditentukan pada tahap ini. Dampak-dampak tersebut akan dilaporkan dalam laporan keuangan saat dampak tersebut dapat diketahui dan diestimasi.

Emphasis of matter

We draw attention to Note 26 to the financial statement as of December 31, 2022 and 2021. Furthemore, in the beginning of 2020, the world economy faces uncertainty as a result of the Covid-19 pandemic. These conditions, together with these are explained in Note 26 that the spesific impact on the business, income and recoverable value of assets and liabilities of the Company is not yet possible to be determined at this stage. These impacts will be reported in the financial statements when they are known and can be estimated.

KANTOR AKUNTAN PUBLIK / *REGISTERED PUBLIC ACCOUNTANT FIRMS*
ABDUL MUNTALIB DAN YUNUS

Drs. Abdul Muntalib M.S., Akt., CA., CPA., CPI., CLI., ACPA.
Registrasi Akuntan Publik/ Public Accountant Register No. AP 0596
Izin Akuntan Publik/ Public Accountant License No. KEPMEN 911/KM.1/2021
Izin Usaha Akuntan Publik/ Ind. Certified Public Accountant License No. KEPMEN 124/KM.1/2016

16 Januari 2023 / *January 16, 2023*

00005

(Presented in Rupiah, unless otherwise stated)

	Catatan/ *Notes*	2022	2021	
ASET				***ASSETS***
ASET LANCAR				***CURRENT ASSETS***
Kas dan bank	4	8.834.805.330	1.485.564.869	*Cash on hand and in banks*
Piutang usaha				*Trade receivable*
Pihak berelasi	5,22	552.163.658	7.905.434	*Related parties*
Pihak ketiga	5	2.651.954.760	1.418.409.797	*Third parties*
Piutang lain-lain				*Other receivable*
Pihak berelasi	6,22	4.592.412.500	8.907.812.497	*Related parties*
Pihak ketiga	6	1.941.267.250	1.316.999.269	*Third parties*
Uang muka	8	4.400.901.115	2.527.248.026	*Advances payment*
Biaya dibayar dimuka	7	2.076.548.825	690.495.856	*Prepaid expenses*
Jumlah Aset Lancar		**25.050.053.438**	**16.354.435.748**	***Total Current Assets***
ASET TIDAK LANCAR				***NON CURRENT ASSET***
Aset tetap - bersih	9	1.163.196.620	1.857.367.012	*Property and equipment - net*
JUMLAH ASET		**26.213.250.057**	**18.211.802.760**	***TOTAL ASSETS***
LIABILITAS DAN EKUITAS				***LIABILITIES AND EQUITY***
LIABILITAS JANGKA PENDEK				***CURRENT LIABILITIES***
Utang usaha				*Trade payables*
Pihak berelasi	10,22	250.745.723	1.668.683	*Related parties*
Pihak ketiga	10	48.539.465	161.011.347	*Third parties*
Utang lain-lain		-	46.984.216	*Others payable*
Utang pajak	13	1.048.362.153	876.621.391	*Taxes payable*
Biaya yang masih harus dibayar	11	8.351.948.183	1.384.833.758	*Accrued expenses*
Deposit diterima dimuka	12	5.704.461.295	6.897.591.011	*Deposit accepted in advancet*
Jumlah Liabilitas Jangka Pendek		**15.404.056.818**	**9.368.710.406**	***Total Current Liabilities***
LIABILITAS JANGKA PANJANG				***NON CURRENT LIABILITY***
Liabilitas imbalan kerja karyawan	14	855.840.117	607.403.211	*Post-employment benefits obligation*
JUMLAH LIABILITAS		**16.259.896.935**	**9.976.113.617**	***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		8.375.105.122	6.657.441.143	*Retained earnings*
Jumlah Ekuitas		**9.953.353.122**	**8.235.689.143**	***Total Equity***
JUMLAH LIABILITAS DAN EKUITAS		**26.213.250.057**	**18.211.802.760**	***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.

PT. ASIAN TRAILS INDONESIA
LAPORAN LABA RUGI KOMPREHENSIF
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2022
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT. ASIAN TRAILS INDONESIA
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(Presented in Rupiah, unless otherwise stated)

	Catatan/ *Notes*	2022	2021	
PENDAPATAN USAHA	16	73.183.284.525	313.504.688	***REVENUES***
BEBAN POKOK PENDAPATAN	17	(54.374.257.405)	(103.292.713)	***COST OF REVENUES***
LABA KOTOR		**18.809.027.120**	**210.211.975**	***GROSS LOSS***
Beban penjualan	18	(3.677.401.553)	(2.380.912.905)	*Selling expense*
Beban umum dan administrasi	19	(14.529.848.288)	(9.105.898.973)	*General and administrative expense*
Beban lainnya	20	(813.751.109)	(4.003.794.375)	*Other expense*
Pendapatan lainnya	21	1.929.637.808	7.987.891.199	*Other income*
LABA (RUGI) SEBELUM BEBAN PAJAK PENGHASILAN		**1.717.663.979**	**(7.292.503.079)**	***GAIN (LOSS) BEFORE TAX***
BEBAN PAJAK PENGHASILAN	13	-	-	***INCOME TAX EXPENSE***
Pendapatan komprehensif lain		-	-	***Other comprehensif income***
LABA (RUGI) BERSIH KOMPREHENSIF		**1.717.663.979**	**(7.292.503.079)**	***NET COMPREHENSIVE GAIN (LOSS)***

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 2021		**1.440.000.000**	**138.248.000**	**13.949.944.222**	**15.528.192.222**	***Balance as of January 1, 2021***
Rugi bersih tahun berjalan		-	-	(7.292.503.079)	(7.292.503.079)	*Net loss for the year*
Saldo per 31 Desember 2021		**1.440.000.000**	**138.248.000**	**6.657.441.143**	**8.235.689.143**	***Balance as of December 31, 2021***
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***

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)

	2022	2021	
ARUS KAS DARI AKTIVITAS OPERASI			***CASH FLOW FROM OPERATING ACTIVITIES***
Penerimaan kas dari pelanggan	76.709.390.859	3.393.572.378	*Cash receipt from customers*
Pembayaran kas kepada pemasok dan karyawan	(73.840.360.499)	(13.549.354.841)	*Cash paid to suppliers and employees*
Pembayaran beban keuangan	(214.271.070)	(31.138.577)	*Payments of financial charges*
Kas Bersih Diperoleh Dari (Digunakan untuk) Aktivitas Operasi	**2.654.759.290**	**(10.186.921.040)**	***Net Cash Provided by (Used In) Operating Activities***
ARUS KAS DARI AKTIVITAS INVESTASI			***CASH FLOWS FROM INVESTING ACTIVITIES***
Penerimaan bunga	143.252.135	170.846.570	*Interest received*
Perolehan aset tetap	(13.248.000)	(20.499.000)	*Acquisitions of property and equipment*
Kas Bersih Diperoleh dari Aktivitas Investasi	**130.004.135**	**150.347.570**	***Net Cash Provided by Investing Activities***
ARUS KAS DARI AKTIVITAS PENDANAAN			***CASH FLOWS FROM FINANCING ACTIVITIES***
Penurunan utang pihak berelasi	249.077.040	(5.133.484)	*Decreased of due to related parties*
Penurunan piutang lain-lain pihak berelasi	4.315.399.997	9.357.187.503	*Decreased of other receivable related parties*
Kas Bersih Diperoleh dari Aktivitas Pendanaan	**4.564.477.037**	**9.352.054.019**	***Net Cash Provided by Financing Activities***
KENAIKAN (PENURUNAN) BERSIH KAS DAN BANK	**7.349.240.461**	**(684.519.451)**	***NET INCREASE (DECREASE) CASH ON HAND AND IN BANKS***
KAS DAN BANK AWAL TAHUN	1.485.564.869	2.170.084.320	***CASH ON HAND AND IN BANKS AT BEGINNNIG OF YEAR***
KAS DAN BANK AKHIR TAHUN	**8.834.805.330**	**1.485.564.869**	***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 2022 sebanyak 68 orang.

Susunan dewan komisaris dan direksi Perusahaan pada tanggal 31 Desember 2022 dan 2021 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 68 as of December 31, 2022.

The Company's management as of December 31, 2022 and 2021 consisted of the following:

	31 Desember 2022/ *December 31, 2022*	31 Desember 2021/ *December 31, 2021*	
Presiden Komisaris	Mr. Luzi Andrea Matzig/Lersan Misitsakul	Mr. Luzi Andrea Matzig/Lersan Misitsakul	*President Commissioner*
Komisaris	Mr. Dharmayanto Tirtawisata	Mr. Dharmayanto Tirtawisata	*Commissioners*
	Mr. Laurent Kunzle	Mr. Laurent Kunzle	
Presiden Direktur	Mr. Rocky Wisuda Praputranto	Mr. Rocky Wisuda Praputranto	*President Director*
Direktur	Mr. Bjorn Schimanski	Mr. Bjorn Schimanski	*Directors*
	Mr. Sebastian Alex Mendoca	Mr. Marcel Jordi Grifoll	

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 of 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 3 (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

Pengakuan awal

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 2022 dan 2021, 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

Initial recognition

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, 2022 and 2021, 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)

Apabila Perusahaan mentransfer hak untuk menerima arus kas yang berasal dari aset keuangan atau mengadakan kesepakatan penyerahan, atau tidak mentransfer maupun tidak mempertahankan secara substansial seluruh risiko dan manfaat atas aset keuangan tersebut namun telah mentransfer pengendalian atas aset keuangan tersebut, maka suatu aset keuangan baru diakui oleh Perusahaan sebesar keterlibatannya yang berkelanjutan dengan aset keuangan tersebut.

Pada saat penghentian pengakuan atas aset keuangan secara keseluruhan, maka selisih antara nilai tercatat dan jumlah dari (i) pembayaran yang diterima, termasuk aset baru yang diperoleh dikurangi dengan liabilitas baru yang ditanggung; dan (ii) keuntungan atau kerugian kumulatif yang telah diakui secara langsung dalam ekuitas, harus diakui dalam laba rugi.

Penurunan nilai

Pada setiap tanggal pelaporan, Perusahaan mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai.

Penurunan nilai atas aset keuangan atau kelompok aset keuangan dianggap telah terjadi, jika dan hanya jika, terdapat bukti yang obyektif mengenai penurunan nilai sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut ("peristiwa kerugian"), dan peristiwa kerugian tersebut berdampak pada estimasi arus kas masa depan aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

Bukti penurunan nilai dapat meliputi indikasi pihak peminjam atau kelompok peminjam mengalami kesulitan keuangan signifikan, wanprestasi atau tunggakan pembayaran bunga atau pokok, terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya, dan pada saat data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa depan, seperti meningkatnya tunggakan atau kondisi ekonomi yang berkorelasi dengan wanprestasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

i. Financial assets (continued)

Where the Company has transferred its rights to receive cash flows from a financial asset or has entered into a pass-through arrangement, or has neither transferred nor retained substantially all the risks and rewards of the financial asset but has transferred control of the financial asset, a new financial asset is recognized to the extent of the Company's continuing involvement in the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (i) the consideration received, including any new asset obtained less any new liability assumed; and (ii) any cumulative gain or loss that has been recognized directly in equity, is recognized in profit or loss.

Impairment

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 2022 dan 2021 (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, 2022 and 2021 (based on the exchange rate set by the Thomas Cook Group) were as follows:

	31 Desember 2022/ *December 31, 2022*	31 Desember 2021/ *December 31, 2021*	
1 Dolar Amerika Serikat	15.567,50	14.252,50	*United States of America Dollar 1*
1 Euro	16.614,37	16.207,99	*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.

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)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Perpajakan (lanjutan)

l. Taxation (continued)

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.

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. Provisi

m. Provision

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.

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. Peristiwa setelah periode pelaporan

n. Events after the reporting period

Peristiwa setelah periode pelaporan yang memberikan informasi tambahan atas posisi Perusahaan pada akhir periode pelaporan (peristiwa yang memerlukan penyesuaian) tercermin dalam laporan keuangan.

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.

Peristiwa setelah periode pelaporan yang tidak memerlukan penyesuaian diungkapkan dalam catatan atas laporan keuangan apabila material.

Events after the reporting period that do not require adjustments are disclosed in the notes to the financial statements if material.

o. Pernyataan dan Interpretasi Standar Akutansi Baru dan Revisi yang berlaku Efektif pada Tahun Berjalan

o. Standars, Amendments/Improvements and Interpretation to Standars Effective in the Current Year

Berikut adalah Amandemen standar akuntansi keuangan yang telah diterbitkan, yang berlaku efektif sejak tanggal:

1 Januari 2022

- Amandemen PSAK No. 22: Kombinasi Bisnis tentang Referensi ke Kerangka Konseptual
- Amandemen PSAK No. 57: Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi tentang Kontrak yang Memberatkan - Biaya Pemenuhan Kontrak
- Penyesuaian Tahunan 2020 - PSAK No. 71: Instrumen Keuangan - Imbalan dalam pengujian '10 persen' untuk penghentian pengakuan liabilitas keuangan

The following are amendments to financial accounting standard issued that are mandatory for the financial year beginning or after
January 1, 2022

Amendment to PSAK No. 22: Business Combinations regarding Reference toConceptual Frameworks

- *Amendment to PSAK No. 57: Provisions, Contingent Liabilities, and Contingent Assets regarding Aggravating Contracts – Contract Fulfillment Costs*
- *2020 Annual Improvements - PSAK No. 71: Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities*

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

o. Pernyataan dan Interpretasi Standar Akuntansi Baru dan Revisi yang Berlaku Efektif pada Tahun Berjalan (lanjutan)

1 Januari 2023

- Amendemen PSAK No. 1: Penyajian Laporan Keuangan tentang Klasifikasi Liabilitas sebagai Jangka Pendek atau Jangka Panjang

Sampai dengan tanggal penerbitan laporan keuangan, dampak dari penerapan standar, amendemen dan interpretasi tersebut terhadap laporan keuangan tidak dapat diketahui atau diestimasi oleh manajemen.

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:

Penentuan Mata Uang Fungsional

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Standards, Amendments/Improvements and Interpretation to Standards Effective in the Current Year (continued)

January 1, 2023

Amendment to PSAK No. 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

As of the issuance date of the financial statements, the effects of adopting these standards, amendments and interpretations on the financial statements are not known nor reasonably estimable by management.

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:

Determination of functional currency

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.

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.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI SIGNIFIKAN (lanjutan)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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.

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.

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.

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.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI SIGNIFIKAN (lanjutan)

b. Estimasi dan asumsi (lanjutan)

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.

Beban pajak kini

Perusahaan mengakui beban pajak kini berdasarkan estimasi penghasilan kena pajak periode berjalan yang dihitung berdasarkan tarif pajak yang berlaku.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and assumptions (continued)

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.

Current tax expense

The Company recognizes current tax expense based on the estimated taxable income for the period computed using the prevailing tax rates.

(Presented in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI SIGNIFIKAN (lanjutan)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimasi dan asumsi (lanjutan)

b. Estimates and assumptions (continued)

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.

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

	2022	2021	
Kas			*Cash on hand*
Rupiah	100.762.861	87.851.840	*Indonesian Rupiah*
Dolar Amerika Serikat	13.154.537	8.580.005	*US Dollar*
Bank			*Cash in banks*
Rupiah			*Indonesian Rupiah*
PT. Bank Negara Indonesia (Persero) Tbk.	637.691.502	12.531.653	*PT Bank Negara Indonesia (Persero) Tbk.*
PT. Bank CIMB Niaga Tbk.	2.070.478	241.745.774	*PT.Bank CIMB Niaga Tbk.*
PT. Bank ANZ Indonesia	-	43.730.376	*PT Bank ANZ Indonesia*
Dolar Amerika Serikat			*US Dollar*
PT. Bank DBS Indonesia	3.455.393.435	59.986.065	*PT Bank DBS Indonesia*
PT. Bank Negara Indonesia (Persero) Tbk.	4.625.742.517	1.410.996	*PT Bank Negara Indonesia (Persero) Tbk.*
PT. Bank ANZ Indonesia	-	1.029.720.321	*PT Bank ANZ Indonesia*
Euro			*Euro*
PT. Bank ANZ Indonesia	-	7.839	*PT Bank ANZ Indonesia*
Jumlah	**8.834.805.330**	**1.485.564.869**	***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

	2022	2021	
Berdasarkan Pelanggan :			***By Customers:***
Pihak berelasi			*Related parties*
Thomas Cooks India Ltd.	392.985.970	-	*Thomas Cooks India Ltd.*
SOTC travel India Pvt Ltd.	159.177.688	-	*SOTC travel India Pvt Ltd.*
Asian Trails Holding Ltd	-	7.905.434	*Asian Trails Thailand*
Jumlah pihak berelasi	**552.163.658**	**7.905.434**	***Total related parties***
Pihak ketiga			*Third parties*
Sun Trade Travel	598.726.050	548.152.575	*Sun Trade Travel*
Tourasia Switzerland	309.061.577	130.059.763	*Tourasia Switzerland*
Kangaroo Tours	276.509.935	-	*Kangaroo Tours*
Eurotours GmbH	186.810.000	-	*Eurotours GmbH*
FTI frosch Touristik GmbH	150.413.185	-	*FTI frosch Touristik GmbH*
Travelhouse Hotelplan	144.544.238	-	*Travelhouse Hotelplan*
Turismo VCT LTDA	125.349.510	114.761.130	*Turismo VCT LTDA*
Tourasia Polska S.A	123.932.868	113.464.152	*Tourasia Polska S.A.*
Tui Deutschland Gmbh	-	1.657.900	*Tui Deutschland Gmbh*
Lain-lain (dibawah Rp 100 juta)	736.607.397	510.314.277	*Others (below IDR 100 million)*
Jumlah pihak ketiga	**2.651.954.760**	**1.418.409.797**	***Total third parties***
Jumlah Piutang Usaha	**3.204.118.418**	**1.426.315.231**	**Total Trade Receivable**

5. PIUTANG USAHA (lanjutan) / *5. TRADE RECEIVABLE (continued)*

	2022	2021	
Berdasarkan Umur :			***By Aging:***
Pihak berelasi			*Related Parties*
Kurang dari 30 hari	381.932.744	7.905.434	*Less than 30 days*
31 s/d 60 hari	37.985.011	-	*31 s/d 60 days*
61 s/d 90 hari	115.744.362	-	*61 s/d 90 days*
Lebih dari 90 hari	16.501.541	-	*More than 90 days*
Jumlah	**552.163.658**	**7.905.434**	***Total***
Pihak ketiga			*Third parties*
Kurang dari 30 hari	1.382.254.970	7.018.644	*Less than 30 days*
31 s/d 60 hari	21.979.912	78.597.406	*31 s/d 60 days*
61 s/d 90 hari	24.919.364	-	*61 s/d 90 days*
Lebih dari 90 hari	1.222.800.514	1.332.793.747	*More than 90 days*
Jumlah	**2.651.954.760**	**1.418.409.797**	***Total***
Jumlah piutang usaha	**3.204.118.418**	**1.426.315.231**	

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 2022 dan 2021, 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, 2022 and 2021, the Management of the Company believes, that all of the receivables balances are collectible hence no allowance for doubtful accounts were provided.

6. PIUTANG LAIN-LAIN / *6. OTHERS RECEIVABLE*

	2022	2021	
Pihak berelasi:			*Related parties:*
Asian Trails Holding Ltd	4.592.412.500	8.907.812.497	*Asian Trails Holding Ltd*
Jumlah	**4.592.412.500**	**8.907.812.497**	***Total Related parties***
Pihak ketiga:			*Third parties:*
Kontribusi biaya brosur	-	285.050.000	*Brochure cost contributions*
Lain-lain	1.941.267.250	1.031.949.269	*Others*
Jumlah	**1.941.267.250**	**1.316.999.269**	***Total Third parties***

Pada tanggal 31 Desember 2022 dan 2021 total piutang kepada Asian Trails Holding Ltd. sebesar USD 295.000 dan USD 625.000.

As of December 31, 2022 and 2021, total receivables from Asian Trails Holding Ltd. Amounting to USD 295,000 and USD 625,000.

7. BIAYA DIBAYAR DIMUKA / *7. PREPAID EXPENSE*

	2022	2021	
Biaya tur akan datang	1.367.480.335	-	*Future Expenses*
Sewa kantor	75.159.890	294.935.534	*Office rental*
Asuransi	55.326.895	38.540.185	*Insurance*
Lain-lain (dibawah Rp 50 juta)	578.581.705	357.020.137	*Others (below IDR 50 million)*
Jumlah	**2.076.548.825**	**690.495.856**	***Total***

(Presented in Rupiah, unless otherwise stated)

8. UANG MUKA / 8. ADVANCES

	2022	2021	
Uang muka ke pemasok	4.131.816.878	2.366.181.236	Advance payment to suppliers
Uang muka karyawan	269.084.237	161.066.790	Advance to employee
Jumlah	**4.400.901.115**	**2.527.248.026**	**Total**

9. ASET TETAP / 9. PROPERTY AND EQUIPMENT

	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*

	1 Januari 2021/ *January 1, 2021*	Penambahan/ *Additions*	Pengurangan/ Reklasifikasi *Deduction/ Recrasification*	31 Desember 2021/ *December 31, 2021*	
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	658.347.480	-	4.965.000	663.312.480	*Office furniture*
Kendaraan	5.084.640.000	-	-	5.084.640.000	*Vehicles*
Perlengkapan kantor	2.436.413.996	20.499.000	17.112.960	2.474.025.956	*Office supplies*
Jumlah	10.529.525.288	20.499.000	22.077.960	10.572.102.248	*Total*
Akumulasi penyusutan:					*Accumulated depreciation:*
Pemilikan langsung					*Direct acquisition*
Lisensi	1.271.504.212	-	-	1.271.504.212	*License*
Instalasi	1.055.680.093	18.513.387	-	1.074.193.480	*Instalation*
Furniture kantor	652.445.973	7.666.750	(16.784.243)	643.328.480	*Office furniture*
Kendaraan	4.067.346.267	508.265.625	(1.245.659.392)	3.329.952.500	*Vehicles*
Perlengkapan kantor	2.307.008.133	85.301.496	3.446.935	2.395.756.564	*Office supplies*
Jumlah	9.353.984.678	619.747.258	(1.258.996.700)	8.714.735.236	*Total*
Jumlah tercatat	1.175.540.610			1.857.367.012	*Net book value*

(Presented in Rupiah, unless otherwise stated)

9. ASET TETAP (lanjutan)

Pada tanggal 31 Desember 2022 dan 2021, aset kendaraan telah diasuransikan kepada PT. Asuransi Astra Buana dengan nilai pertanggungan masing-masing sebesar Rp 3.107.000.000 dan Rp 3.635.000.000.

Manajemen Perusahaan berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan timbulnya kerugian atas aset yang dipertanggungkan.

Beban penyusutan dicatat pada akun "Beban Umum dan Administrasi" sebesar Rp 741.573.430 dan Rp 619.747.258 masing-masing untuk tahun yang berakhir 31 Desember 2022 dan 2021 dalam laporan laba rugi komprehensif (Catatan 19).

9. PROPERTY AND EQUIPMENT (continued)

On December 31, 2022 and 2021, vehicles were insured with PT. Asuransi Astra Buana with coverage amounting to IDR 3,107,000,000. and IDR 3,635,000,000.

The Company management believes that the insurance coverage are adequate to cover possible losses on the assets insured.

Depreciation expense is recorded in "General and Administrative Expenses" amounting to IDR ..... and IDR 619,747,258 respectively, for the year ended December 31, 2022 and 2021 in the statement of comprehensive income. (Notes 19).

10. UTANG USAHA / *10. TRADE PAYABLE*

	2022	2021	
Berdasarkan pemasok:			***By Supplier :***
Pihak berelasi	250.745.723	1.668.683	*Related parties*
Pihak ketiga	48.539.465	161.011.347	*Third Parties*
Jumlah	**299.285.188**	**162.680.030**	***Total***
Berdasarkan Mata Uang:			***By Currencies:***
Pihak berelasi			*Related parties*
Dolar Amerika Serikat	250.745.723	1.668.683	*US Dollar*
Pihak ketiga			*Third parties*
Rupiah	48.539.465	16.111.347	*Indonesian Rupiah*
Jumlah	**299.285.188**	**17.780.030**	***Total***

11. BIAYA YANG MASIH HARUS DIBAYAR / *11. ACCRUED EXPENSES*

	2022	2021	
Komisi penjualan	1.359.073.885	1.177.135.068	*Commissions of sales*
Harga pokok penjualan	5.650.379.800	21.064.197	*Cost of sales*
Bonus manajemen	467.025.000	-	*Management bonus*
Lain-lain (dibawah Rp 100 juta)	875.469.498	186.634.493	*Others (below IDR 100 million)*
Jumlah	**8.351.948.183**	**1.384.833.758**	***Total***

(Presented in Rupiah, unless otherwise stated)

12. DEPOSIT DITERIMA DIMUKA / *12. DEPOSIT ACCEPTED IN ADVANCE*

	2022	2021	
American Express Meetings & Events	749.497.287	1.928.056.821	*American Express Meetings & Events*
Asialuxe Holidays	550.139.883	503.669.097	*Asialuxe Holidays*
Nordic Leisure Travel Group AB	426.487.230	-	*Nordic Leisure Travel Group AB*
Silverjet Belgium	327.555.767	210.381.152	*Silverjet Belgium*
Sure Voyager Trael	327.555.767	-	*Sure Voyager Trael*
Kangaroo Tours	275.386.740	-	*Kangaroo Tours*
Check Point Travel ApS	257.120.312	221.606.992	*Check Point Travel ApS*
Maman L'Agence | Bordeaux	195.605.637	335.580.813	*Maman L'Agence | Bordeaux*
CWT Kaleva Travel	155.301.380	142.182.940	*CWT Kaleva Travel*
Orkide Ekspressen	148.506.167	135.961.724	*Orkide Ekspressen*
Reisebazaar AS	117.690.300	-	*Reisebazaar AS*
Sensation Travel GmbH	115.090.528	-	*Sensation Travel GmbH*
Bamboo Tours	108.823.363	-	*Bamboo Tours*
Sri Siam Holidays Co., Ltd	102.870.040	-	*Sri Siam Holidays Co., Ltd*
Amedida	-	1.353.274.875	*Amedida*
Maman L'Agence	-	360.702.270	*Maman L'Agence*
Travel lab/L'Atelier Du Voyage	-	206.661.250	*Travel lab/L'Atelier Du Voyage*
Savile Row Travel	-	205.606.565	*Savile Row Travel*
Highland Adventures	-	106.993.517	*Highland Adventures*
A&S Signature Journeys, Inc.	-	102.247.435	*A&S Signature Journeys, Inc.*
Lain-lain (dibawah Rp 100 juta)	1.846.830.894	1.084.665.560	*Others (below IDR 100 million)*
Jumlah	**5.704.461.295**	**6.897.591.011**	***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.

13. PERPAJAKAN / *13. TAXATION*

a) Utang pajak terdiri dari: / *a) Tax payables consists of:*

	2022	2021	
Pajak penghasilan			*Income taxes*
Pasal 21	85.356.602	25.303.603	*Article 21*
Pasal 23	925.192.093	848.182.808	*Article 23**
Pajak pertambahan nilai	37.813.458	3.134.980	*Value added taxes*
Jumlah	**1.048.362.153**	**876.621.391**	***Total***

b) Pajak penghasilan / *b) Income taxes*

	2022	2021	
Laba (rugi) sebelum beban pajak penghasilan per laporan laba rugi	1.717.663.979	(7.292.503.079)	*Profit (loss) before income taxes per statements of income*
Perbedaan tetap	813.237.901	(3.403.299.752)	*Permanent differences*
Laba (Rugi) Fiskal	2.530.901.880	(10.695.802.831)	***Fiscal Gain (Loss)***
Rugi fiskal tahun-tahun sebelumnya			*Prior year's fiscal losses*
2021	(10.695.802.831)	-	*2021*
2020	(23.586.811.169)	-	*2020*
Akumulasi rugi fiskal	(31.751.712.120)	(10.695.802.831)	*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*

(Presented in Rupiah, unless otherwise stated)

14. LIABILITAS IMBALAN KERJA KARYAWAN / *14. POST-EMPLOYEMENT BENEFITS OBLIGATION*

	2022	2021	
Liabilitas imbalan kerja keryawan	607.403.211	450.625.711	*Post employement benefits obligation*
Biaya jasa	248.436.906	156.777.500	*Service cost*
Jumlah	**855.840.117**	**607.403.211**	***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 2022 dan 2021 adalah sebagai berikut:

The breakdown of the Company's shareholders and their ownership percentage as per December 31, 2022 and 2021 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**

16. PENDAPATAN USAHA / *16. REVENUES*

	2022	2021	
Pendapatan	73.183.284.525	313.504.688	*Revenue*
Komisi penjualan	-	-	*Commision on sales*
Penjualan bersih	**73.183.284.525**	**313.504.688**	***Net sales***

17. BEBAN POKOK PENDAPATAN / *17. COST OF REVENUE*

	2022	2021	
Golden Rama	1.433.642.210	-	*Golden Rama*
The Royal Pita Maha	1.305.350.442	-	*The Royal Pita Maha*
Alaya Resort Ubud	960.842.446	-	*Alaya Resort Ubud*
Asian Trails Yogyakarta	818.961.185	-	*Asian Trails Yogyakarta*
St. Regis Bali Resort	798.785.393	-	*St. Regis Bali Resort*
Karma Transport	719.357.518	-	*Karma Transport*
Eka Jaya Fast Boat	688.179.551	-	*Eka Jaya Fast Boat*
Bali Hai Cruise	686.706.710	-	*Bali Hai Cruise*
Kejora Suites	683.651.433	-	*Kejora Suites*
SOL by Melia Benoa Bali	603.742.365	-	*SOL by Melia Benoa Bali*
Four Seasons Resort Jimbaran	522.261.448	-	*Four Seasons Resort Jimbaran*
Munduk Moding Plantation Nature Resort&Spa	514.243.718	-	*Munduk Moding Plantation Nature Resort&Spa*
Trikayana Transport	512.383.402		*Trikayana Transport*
Lain-lain (dibawah Rp 500 juta)	44.126.149.584	103.292.713	*Others (below IDR 500 million)*
Jumlah	**54.374.257.405**	**103.292.713**	***Total***

(Presented in Rupiah, unless otherwise stated)

18. BEBAN PENJUALAN / *18. SELLING EXPENSE*

	2022	2021	
Charge Kuoni Group	2.648.234.128	2.134.910.479	*Charge Kuoni Group*
Komisi penjualan	441.712.245	-	*Commision on sales*
Lain-lain (dibawah Rp 100 juta)	587.455.180	246.002.426	*Others (below IDR 100 million)*
Jumlah	**3.677.401.553**	**2.380.912.905**	***Total***

19. BEBAN UMUM DAN ADMINISTRASI / *19. GENERAL AND ADMINISTRATIVE EXPENSE*

	2022	2021	
Gaji dan kesejahteraan karyawan	10.572.745.463	6.198.179.932	*Salary and employee benefit*
Penyusutan (Catatan 9)	741.573.430	619.747.258	*Depreciation (Note 9)*
Sewa kantor	428.261.925	590.775.246	*Office rental*
Beban pajak	591.565	522.079.764	*Tax expense*
Beban PPN*	805.010.993	326.711.768	*VAT expense**
Beban imbalan kerja karyawan	248.441.733	156.777.500	*Employee benefit expense*
Asuransi	236.050.003	136.489.351	*Insurance*
Listrik & air	333.113.365	58.440.808	*Electricity & water*
Pemeliharaan dan perbaikan	191.744.898	42.823.346	*Repairs and maintenance*
License	167.599.705	71.748.304	*License*
Perjamuan	460.502.218	2.462.373	*Entertaintment*
Lain-lain (dibawah Rp 50 juta)	344.212.990	379.663.323	*Others (below IDR 50 million)*
Jumlah	**14.529.848.288**	**9.105.898.973**	***Total***

* Beban PPN pada tahun 2022 sejumlah Rp 805.010.993 dan Rp 326.711.768 merupakan pembayaran Surat Tagihan Pajak (STP) PPN Perusahaan pada tahun 2021.

** VAT expense in the year 2022 amounted IDR 805,010,993 and IDR 326,711,768 is the payment of the Company's VAT Tax Collection Letter (STP) in the year 2021.*

20. BEBAN LAINNYA / *20. OTHER EXPENSE*

	2022	2021	
Kerugian kurs mata uang asing	599.490.039	3.972.655.798	*Loss on foreign exchange*
Beban administrasi bank	214.271.070	31.138.577	*Bank administration expenses*
Jumlah	**813.761.109**	**4.003.794.375**	***Total***

21. PENDAPATAN LAINNYA / *21. OTHER INCOME*

	2022	2021	
Keuntungan kurs mata uang asing	1.083.528.616	7.613.766.632	*Gain on foreign exchange*
Pendapatan bunga pinjaman	143.252.135	170.846.570	*Interest income loans*
Lainnya	702.857.057	203.277.997	*Others*
Jumlah	**1.929.637.808**	**7.987.891.199**	***Total***

(Presented in Rupiah, unless otherwise stated)

22. SIFAT DAN TRANSAKSI PIHAK BERELASI

22. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

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 merupakan perusahaan atau agen yang berada dalam satu grup.

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 is a joint Company or agency that are in one group.*

b. Transaksi-transaksi dengan pihak berelasi

Berikut ini disajikan saldo aset dan liabilitas atas transaksi dengan pihak berelasi:

b. Transactions with related parties

Here in below is the balance of assets and liabilities for the transaction with related parties:

	2022	2021	
Piutang usaha			***Trade accounts receivable***
Asian Trails Holding Ltd	552.163.658	7.905.434	*Asian Trails Holding Ltd*
Jumlah	**552.163.658**	**7.905.434**	***Total***
Persentase terhadap jumlah aset	2,11%	0,04%	*Percentage of total assets*
Piutang lain-lain			***Other receivable***
Asian Trails Holding Ltd	4.592.412.500	8.907.812.497	*Asian Trails Holding Ltd*
Jumlah	**4.592.412.500**	**8.907.812.497**	***Total***
Persentase terhadap jumlah aset	17,52%	48,91%	*Percentage of total assets*
Utang usaha			***Trade accounts payable***
Asian Trails Thailand	250.745.723	1.668.683	*Asian Trails Thailand*
Jumlah	**250.745.723**	**1.668.683**	***Total***
Persentase terhadap jumlah liabilitas	0,96%	0,02%	*Percentage of total liabilities*

Transaksi-transaksi dan akun-akun yang signifikan dengan pihak-pihak berelasi adalah sebagai berikut:

The significant transactions and account balanca with related parties are as follows:

Pada tanggal 31 Desember 2022 dan 2021 total piutang kepada Asian Trails Holding Ltd. masing-maing sebesar USD 295.000 dan USD 625.000.

As of December 31, 2022 and 2021, total receivables from Asian Trails Holding Ltd. USD 295,000 and USD 625,000, respectively.

23. NILAI WAJAR DARI INSTRUMEN KEUANGAN

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

Nilai wajar aset dan liabilitas keuangan sebagai berikut:

The fair value of financial assets and liabilities is as follows:

	31 Desember 2022/ *Desember 31, 2022*		31 Desember 2021/ *Desember 31, 2021*		
	Nilai Tercatat/ *Carrying Value*	Nilai Wajar*/ *Fair Value**	Nilai Tercatat/ *Carrying Value*	Nilai Wajar*/ *Fair Value**	
Aset Keuangan					***Financial Assets***
Kas dan bank	8.834.805.330	8.834.805.330	1.485.564.869	1.485.564.869	*Cash and bank*
Piutang usaha-pihak ketiga	2.651.954.760	2.651.954.760	1.418.409.797	1.418.409.797	*Trade receivable-Third parties*
Piutang lain-lain-pihak ketiga	1.941.267.250	1.941.267.250	1.316.999.269	1.316.999.269	*Other receivable-Third parties*

(Presented in Rupiah, unless otherwise stated)

23. NILAI WAJAR DARI INSTRUMEN KEUANGAN (lanjutan)

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 Desember 2022/ *Desember 31, 2022*		31 Desember 2021/ *Desember 31, 2021*		
	Nilai Tercatat/ *Carrying Value*	Nilai Wajar*/ *Fair Value**	Nilai Tercatat/ *Carrying Value*	Nilai Wajar*/ *Fair Value**	
Liabilitas Keuangan					***Financial Liabilities***
Utang Usaha-pihak ketiga	48.539.465	48.539.465	161.011.347	161.011.347	*Trade payable-Third parties*
Utang lain-lain-pihak ketiga	-	-	46.984.216	46.984.216	*Other payable-Third parties*
Biaya yang masih harus dibayar	8.351.948.183	8.351.948.183	1.384.833.758	1.384.833.758	*Accrued expenses*
Uang muka pelanggan	5.704.461.295	5.704.461.295	6.897.591.011	6.897.591.011	*Deposit from customer*

*) Diukur dengan hirarki pengukuran nilai wajar Tingkat 3

**) Measured by Level 3 fair value measurement hierarchy*

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.

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.

24. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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:

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. 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.

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)

24. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a. Manajemen risiko tingkat bunga (lanjutan)

a. Interest rate risk management (continued)

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:

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 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*

	31 Desember 2021/ *December 31, 2021*				
	Bunga mengambang/ *Floating interest*	Bunga tetap/ *Fixed interest*	Tanpa bunga/ *Without interest*	Jumlah/ *Total*	
Aset Keuangan					***Financial Assets***
Kas dan bank	-	1.389.133.024	96.431.845	1.485.564.869	*Cash and bank*
Piutang usaha-pihak ketiga	-	-	1.418.409.797	1.418.409.797	*Trade receivable-Third parties*
Piutang lain-lain-pihak ketiga	-	-	1.316.999.269	1.316.999.269	*Other receivable-Third parties*
Jumlah Aset Keuangan	-	1.389.133.024	2.831.840.911	4.220.973.935	*Total Financial Assets*
Liabilitas Keuangan					***Financial Liabilities***
Utang Usaha-pihak ketiga	-	-	161.011.347	161.011.347	*Trade payable-Third parties*
Utang lain-lain-pihak ketiga	-	-	46.984.216	46.984.216	*Other payable-Third parties*
Biaya yang masih harus dibayar	-	-	1.384.833.758	1.384.833.758	*Accrued expenses*
Uang muka pelanggan	-	-	6.897.591.011	6.897.591.011	*Deposit from customer*
Jumlah Liabilitas Keuangan	-	-	8.490.420.332	8.490.420.332	*Total Financial Liabilities*
Jumlah Aset (Liabilitas) Keuangan - Bersih	-	1.389.133.024	(5.658.579.421)	(4.269.446.397)	*Total Financial Assets (Liabilities) - Net*

(Presented in Rupiah, unless otherwise stated)

24. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

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 2022 dan 2021, maksimum eksposur Perusahaan untuk risiko kredit disajikan sebesar nilai tercatat setiap aset keuangan yang diakui dalam laporan posisi keuangan.

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.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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, 2022 and 2021, 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. 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 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***

	31 Desember 2021/ *December 31, 2021*			
	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	161.011.347	161.011.347	-	*Trade payable-third parties*
Utang lain-lain-pihak ketiga	46.984.216	46.984.216	-	*Others payable-third parties*
Biaya yang masih harus dibayar	1.384.833.758	1.384.833.758	-	*Accrued expenses*
Uang muka pelanggan	6.897.591.011	2.045.480.885	4.852.110.126	*Deposit from customer*
Jumlah	8.490.420.332	3.638.310.206	4.852.110.126	***Total***

24. 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.

25. 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.

24. 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.

25. 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 turnover 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.

26. 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. Secara finansial, Perusahaan mulai mengalami penurunan pendapatan atas penjualan tiket yang signifikan di bulan Juni 2021. Manajemen berpendapat Perusahaan akan mengalami penurunan pendapatan atas kegiatan paket perjalanan wisata sebesar 77% dan 95% pada tahun 2022 dan 2021.

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.

26. 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. Financially, the Company began to experience a significant decline in revenue from ticket sales in June 2021. Management believes that the Company will experience a 77% and 95% decrease in revenue from travel package activities in 2022 and 2021.

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.

27. 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 2022 pada tanggal 16 Januari 2023.

27. 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, 2022 on January 16, 2023.

****

Reem Tours & Travels LLC

Financial Statements (Management)

31 December 2022

Reem Tours & Travels LLC

Statement of financial position

As at 31 December 2022

	31 December 2022 AED	31 December 2021 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.

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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 2023, 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 a summary of significant 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 2023, 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.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

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 that the back-up of customer reservation system which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of backup of certain books of accounts in servers physically located in India, therewith as stated in the paragraph 2(A)(b) above.

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 does not have any pending litigations which would impact its financial position.

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 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or

• provide any guarantee, security or the like to or 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 Note 36 to the financial statements, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, 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.

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

In our opinion and according to the information and explanations given to us, the Company has not paid/ provided for any managerial remuneration during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) 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:23217042BGRWHG7635

Place: Chennai

Date: 18 May 2023

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2023

(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 has maintained proper records showing full particulars of intangible assets.

(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 on yearly basis. In accordance with this programme, entire 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.

(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 inventories were physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage us followed by management were appropriate. No material 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2023 (Continued)

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

Accordingly to the explanation and information 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Value Added Tax, Cess and other statutory dues have generally been regularly deposited 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2023 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, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Value Added Tax or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(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 willful 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) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2023 (Continued)

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

(i) (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.

(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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2023 (Continued)

(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:23217042BGRWHG7635

Place: Chennai

Date: 18 May 2023

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2023

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 2023 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 2023, 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.

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2023 (Continued)

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 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:23217042BGRWHG7635

Place: Chennai
Date: 18 May 2023

Sterling Holiday Resorts (Kodaikanal) Limited
Balance Sheet as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, Plant and Equipment	3	38.45	36.83
Financial assets			
Other financial assets	4	13.57	11.69
Other tax assets	5	36.67	5.99
Deferred tax assets	14	-	-
Other non-current assets	9	15.26	28.05
Total non-current assets		**103.95**	**82.56**
Current assets			
Inventories	6	11.23	6.08
Financial assets			
i. Trade receivables	7	19.10	21.35
ii. Cash and cash equivalents	8	18.67	6.70
Other current assets	9	0.42	7.60
Total current assets		**49.42**	**41.73**
Total assets		**153.37**	**124.29**
Equity and liabilities			
Equity			
Equity share capital	10	5.00	5.00
Other equity			
Reserves and surplus	11	(1,091.28)	(1,489.84)
Other reserves	12	111.78	111.78
Total equity		**(974.50)**	**(1,373.06)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Provision for employee benefit obligations	15	-	20.10
Total non-current liabilities		-	**20.10**
Current liabilities			
Financial liabilities			
i. Borrowings	13	966.74	1,288.28
ii. Trade payables			
a) total outstanding dues of micro enterprises and small enterprises; and	16	4.66	7.93
b) total outstanding dues of creditors other than micro enterprises and small enterprises	16	57.34	62.99
iii. Other financial liabilities	17	36.16	36.68
Provisions			
Provision for employee benefit obligations	15	-	6.96
Other current liabilities	18	62.97	74.41
Total current liabilities		**1,127.87**	**1,477.25**
Total liabilities		**1,127.87**	**1,497.35**
Total equity and liabilities		**153.37**	**124.29**
Significant accounting policies	1.3		

The notes referred to above from 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 18, 2023

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date: April 28, 2023

L Krishnakumar
Director
DIN No.: 03088801
Place: Chennai
Date: April 28, 2023

Sterling Holiday Resorts (Kodaikanal) Limited
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	19	1,736.58	1,129.19
Other income	20	278.75	32.16
Total income		**2,015.33**	**1,161.35**
Expenses			
Cost of materials consumed	21	127.53	91.26
Employee benefits expense	22	45.58	209.31
Finance costs	23	118.90	125.46
Depreciation and amortisation expense	24	4.24	4.35
Other expenses	25	1,320.52	796.51
Total expenses		**1,616.77**	**1,226.89**
Profit / (Loss) before tax		398.56	(65.54)
Tax expense	26		
Current tax		-	-
Deferred tax		-	-
Profit/ (Loss) for the year		398.56	(65.54)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post employment benefit obligations	15	-	(6.66)
Income tax relating to this item		-	-
Other comprehensive loss for the year, net of income tax		-	**(6.66)**
Total comprehensive Income/ (loss) for the year		398.56	(72.20)
Earnings per share (Face value of INR 10 each)			
Basic earnings per share	37	797.12	(131.08)
Significant accounting policies	1.3		

The notes referred to above from 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 18, 2023

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date: April 28, 2023

L Krishnakumar
Director
DIN No.: 03088801
Place: Chennai
Date: April 28, 2023

Sterling Holiday Resorts (Kodaikanal) Limited
Statement of cash flows for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Profit/ (Loss) before income tax		398.56	(65.54)
Adjustments for:			
Depreciation	24	4.24	4.35
Finance cost	23	118.90	120.94
Operating cash flow before working capital changes		**521.70**	**59.75**
Change in operating assets and liabilities			
(Increase)/decrease in trade receivables	7	2.25	(10.86)
(Increase)/decrease in inventories	6	(5.15)	(0.66)
(Increase)/decrease in other financial assets	4	(1.88)	2.40
(Increase)/decrease in other non current assets	9	12.79	(13.58)
(Increase)/decrease in other current assets	9	7.18	19.82
Increase/(decrease) in trade payables	16	(8.92)	27.20
(Increase)/decrease in other financial liabilities	17	(0.52)	0.19
Increase/(decrease) in employee benefit obligations	15	(27.06)	(4.11)
Increase in other current liabilities	18	(11.44)	18.34
Increase/(decrease) in other provisions	18	-	(1.11)
Cash generated from operations		**488.95**	**97.38**
Income tax (paid)/ Refund		(30.68)	1.89
Net cash generated from operating activities		**458.27**	**99.27**
Cash flows from investing activities			
Purchase of property, plant and equipment		(5.86)	(1.35)
Net cash used in investing activities		**(5.86)**	**(1.35)**
Cash flows from financing activities			
Proceeds from loan taken from holding Company		-	1,307.03
Repayment of loan from holding company		(362.25)	(1,265.10)
Interest paid		(78.19)	(134.87)
Net cash used in financing activities		**(440.44)**	**(92.94)**
Net increase in cash and cash equivalents		**11.97**	**4.98**
Cash and cash equivalents at the beginning of the year	8	6.70	1.72
Cash and cash equivalents at end of the year		**18.67**	**6.70**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents comprise of the following :			
Cash and cash equivalents	8	18.67	6.70
Balance as per statement of cash flows		18.67	6.70
Significant accounting policies	1.3		

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

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

Satish Vaidyanathan
Membership No.: 217042
Place: Chennai
Date: May 18, 2023

For and on behalf of the Board of Directors
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai Date:
April 28, 2023

L Krishnakumar
Director
DIN No.: 03088801
Place: Chennai
Date: April 28, 2023

Sterling Holiday Resorts (Kodaikanal) Limited
Statement of changes in equity for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2021		5.00
Changes in equity share capital during the year	10	-
Balance as at March 31, 2022		5.00
Changes in equity share capital during the year	10	-
Balance as at Mar 31, 2023		5.00

II) Other equity

	Note	Reserves and surplus	Other reserves	
		Retained earnings	Contribution from holding company	Total
Balance as at April 1, 2021		(1,417.64)	111.78	(1,305.86)
Loss for the year	11 & 12	(65.54)	-	(65.54)
Other comprehensive loss	11 & 12	(6.66)	-	(6.66)
Balance as at March 31, 2022		(1,489.84)	111.78	(1,378.06)
Profit for the year	11 & 12	398.56	-	398.56
Other comprehensive loss	11 & 12	-	-	-
Balance as at Mar 31, 2023		(1,091.28)	111.78	(979.50)

Significant accounting policies 1.3
The notes referred to above from 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 18, 2023

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date: April 28, 2023

L Krishnakumar
Director
DIN No.: 03088801
Place: Chennai
Date: April 28, 2023

1.1. Reporting entity

Sterling Holiday Resorts (Kodaikanal) Limited (the "Company") is engaged in providing resort operations and maintenance services (being leisure hospitality services). 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

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on April 28, 2023.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value (Refer Note 27).

As at year ended March 31, 2023 has accumulated losses of INR. 1,091.28 lakhs (which have fully eroded the net worth of the Company) as at the balance sheet date. During the year, the Company had earned a profit of INR 398.56 lakhs. 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 future business plans, approved cash flow projections for the next 12 months, 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 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 Parent 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 33 for segment information presented.

1.2.3. Current/ Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

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STERLING HOLIDAY RESORTS (KODAIKANAL) LIMITED * CHENNAI

1.2. **Basis of preparation (contd.)**

1.2.4. **Foreign currency transaction**

a) 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 Indian rupee (Rs.) which is the Company's functional and presentation currency.

b) 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.

1.3. **Significant accounting policies**

1.3.1. **Revenue recognition**

The Company recognises 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. Ind AS 115 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 recognising 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.

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1.3. Significant accounting policies (contd.)

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.

(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 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.

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1.3. Significant accounting policies (contd.)

1.3.3. 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 of consideration.

As a lessee

The Company recognises 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 the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- 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 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, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

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1.3. Significant accounting policies (contd.)

1.3.3. Leases (contd.)

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.

The Company presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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.

1.3.4. Impairment of assets

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 group 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.

1.3.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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.

1.3.6. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment / cancellation.

1.3.7. Inventories

Inventories comprising of provisions, perishables, beverages and operating supplies are stated at lower of cost and net realisable 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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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets

a) Classification:

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.

1.3.8. Investments and other financial assets

b) 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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into 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.

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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets (contd.)

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.

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.

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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets (contd.)

c) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses 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 28 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.

d) De-recognition of financial assets:

A financial asset is derecognised only when
a. the Company has transferred the rights to receive cash flows from the financial asset or
b. 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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1.3. Significant accounting policies (contd.)

1.3.9. Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are stated at historical cost less depreciation. 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 (in years)
Building	60
Plant and machinery	15
Furniture and fixtures – general	10
Furniture and fixtures – others	8
Office equipment	5
Computer equipment – Servers & network	6
Computer equipment – Desktop, laptop and end-user items	3
Electrical installations	10
Vehicles	8

Assets constructed on leasehold land/leasehold improvements are amortised over the primary period of lease or its estimated useful life, whichever is lower.

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).

1.3.10. Trade and other payables

These amounts represent unsecured liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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Sterling Holiday Resorts Chennai

1.3. Significant accounting policies (contd.)

1.3.11. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

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 reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.3.12. Provisions (other than for employee benefits)

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are not recognised for future operating losses. A provision is recognized if the likelihood of an outflow with respect to any one item included in the same class of obligations is more probable than not. Provisions are measured at the present value of management's best estimate of the expenditure require to settle the present obligation at the end of the reporting period.

1.3.13. 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.

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1.3. Significant accounting policies (contd.)

1.3.14 Employee benefits

a) Defined contribution plan

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined contribution plan as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

b) Defined benefit plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

c) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

1.3.15. 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, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Note 39).

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

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STERLING HOLIDAY RESORTS * CHENNAI *

1.3. Significant accounting policies (contd.)

1.3.15. Earnings per share (contd.)

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.3.16. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off and presented in lakhs with decimals as per the requirement of Schedule III, unless otherwise stated.

2. 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 estimate or judgement are:

Note 38 – Leases

3. Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) **Ind AS 1 - Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

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Sterling Holiday Resorts * Chennai

Sterling Holiday Resorts (Kodaikanal) Limited
Notes to the financial statements as at and for the year ended March 31, 2023

(iii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The quantum of revenue deferred due to uncertainty of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

Customer unexercised rights. The Company considers the expected Customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of utilisation of membership by the customer. The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been 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 Group does not expect this amendment to have any significant impact in its financial statements.

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Sterling Holiday Resorts (Kodaikanal) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amount for the year ended March 31, 2022:

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, 2021	1.31	0.84	35.32	0.22	10.84	7.87	3.34	59.74
Additions	-	0.24	0.56	0.10	0.44	-	-	1.34
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	1.31	1.08	35.88	0.32	11.28	7.87	3.34	61.08
II. Accumulated depreciation								
Balance as at April 1, 2021	0.14	0.54	12.79	0.02	3.46	2.03	0.93	19.91
Depreciation for the year	0.02	0.08	2.01	0.01	1.24	0.55	0.43	4.34
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	0.16	0.62	14.80	0.03	4.70	2.58	1.36	24.25
Net block (I-II)								
Balance as at March 31, 2022	1.15	0.46	21.08	0.29	6.58	5.29	1.98	36.83
Balance as at March 31, 2021	1.17	0.30	22.53	0.20	7.38	5.84	2.41	39.83

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	-	-	0.86	4.21	-	-	0.76	5.83
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	1.31	1.08	36.74	4.53	11.28	7.87	4.10	66.91
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	0.02	0.11	1.86	0.64	0.03	0.46	1.11	4.24
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	0.18	0.73	16.66	0.67	4.73	3.04	2.47	28.49
Net block (I-II)								
Balance as at March 31, 2023	1.13	0.35	20.08	3.86	6.55	4.83	1.64	38.42
Balance as at March 31, 2022	1.15	0.46	21.08	0.29	6.58	5.29	1.98	36.83

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STERLING HOLIDAY RESORTS CHENNAI

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(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
4 Other financial assets				
Security deposits	-	13.57	-	11.69
Total	-	13.57	-	11.69

	As at March 31, 2023	As at March 31, 2022
5 Other tax assets		
TDS receivable	36.67	5.99
Total	36.67	5.99
6 Inventories		
Food and beverages	2.27	2.40
Operating supplies	8.96	3.68
Total	11.23	6.08
7 Trade receivables		
Secured - Considered good	19.10	21.35
Total	19.10	21.35
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (Refer Note 31)	-	1.13
Loss allowance	-	-
Net trade receivables from related parties	-	1.13

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, 2023

	Outstanding for following periods from due date of payment						
	Unbilled dues	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Receivables							
Considered good	19.01	0.10	-	-	-	-	19.10
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	19.01	0.10	-	-	-	-	19.10

As at March 31, 2022

	Outstanding for following periods from due date of payment						
	Unbilled dues	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Receivables							
Considered good	2.19	18.70	0.46	-	-	-	21.35
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	2.19	18.70	0.46	-	-	-	21.35

	As at March 31, 2023	As at March 31, 2022
8 Cash and cash equivalents		
Balances with banks	17.78	6.09
Cash on hand	0.89	0.61
Total	18.67	6.70

9 Other assets

	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Prepaid expenses	-	15.26	-	28.05
Advances - Considered good				
Advances to suppliers	0.42	-	-	-
Balances with statutory authorities	-	-	7.60	-
Total	0.42	15.26	7.60	28.05

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Sterling Holiday Resorts (Kodaikanal) Limited * Chennai

10 Equity share capital

Authorised	March 31, 2023	March 31, 2022
0.50 lakhs (March 31, 2022: 0.50 lakhs) equity shares of Rs.10 each	5.00	5.00
Issued, subscribed and paid-up		
0.50 lakhs (March 31, 2022: 0.50 lakhs) equity shares of Rs.10 each	5.00	5.00
As at March 31, 2023	**5.00**	**5.00**

Reconciliation of shares outstanding at the beginning and at the end of the year

	March 31, 2023		March 31, 2022	
	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, 2023		March 31, 2022	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares of Rs. 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, 2023		March 31, 2022	
	Number *in lakhs*	% of total shares in class	Number *in lakhs*	% of total shares in class
Equity shares of Rs. 10 each held by				
Sterling Holiday Resorts Limited (Holding Company)	0.49	98%	0.49	98%

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Sterling Holiday Resorts (Kodaikanal) Limited Chennai

	As at March 31, 2023	As at March 31, 2022
11 Reserves and surplus		
Retained earnings	(1,091.28)	(1,489.84)
Total	**(1,091.28)**	**(1,489.84)**

Movement in reserves and surplus balances is as follows :

a) Retained earnings

Opening balance	(1,489.84)	(1,417.64)
Profit / (Loss) for the year	398.56	(65.54)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	-	(6.66)
Closing balance	**(1,091.28)**	**(1,489.84)**

12 Other reserves

	Contribution from holding company	
	March 31, 2023	**March 31, 2022**
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.

	As at March 31, 2023	As at March 31, 2022
13 Current borrowings		
Unsecured loan from holding company	906.95	1,269.20
Interest accrued but not due on borrowings	59.79	19.08
Total	**966.74**	**1,288.28**

Unsecured loan from holding company

Unsecured loan amounting to Rs. 906.95 lakhs outstanding as on March 31, 2023 (March 31, 2022: Rs. 1,269.20 lakhs) from Sterling Holiday Resorts Limited (holding company) carries an interest rate of 9.25% p.a. (March 31, 2022: 9.25% p.a) and is repayable on demand.

Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	March 31, 2023	March 31, 2022
Current borrowings	906.95	1,269.20
Net debt	**906.95**	**1,269.20**

Particulars	Amount
Balance as at April 1, 2021	1,227.27
Proceeds from loans and borrowings	1,307.03
Repayment of borrowings	(1,265.10)
Balance as at March 31, 2022	**1,269.20**
Proceeds from loans and borrowings	-
Repayment of borrowings	(362.25)
Balance as at March 31, 2023	**906.95**

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Sterling Holiday Resorts ... Chennai

(All amounts in INR lakhs, unless otherwise stated)

14 Deferred tax assets and liabilities

The balance comprises temporary differences attributable to:

	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities		
Depreciation	(1.26)	-
Total deferred tax liabilities	**(1.26)**	-
Deferred tax assets		
Unabsorbed depreciation allowance and business loss carried forward	87.63	175.27
Provision for employee benefits	-	10.67
Depreciation	-	6.95
Unrecognised deferred tax assets	**87.63**	**192.89**

Movement in deferred tax liabilities

	Depreciation
At April 1, 2021	**0.82**
Charged/(credited):	
- to profit or loss	(0.82)
- to other comprehensive income	-
At March 31, 2022	-
Charged/(credited):	
- to profit or loss	-
- to other comprehensive income	-
At March 31, 2023	-

Movement in deferred tax assets

	Depreciation	Unabsorbed depreciation allowance and business loss carried forward	Provision for employee benefits	Total
At April 1, 2021	0.41	178.47	9.89	188.77
Movement during the year	6.54	(3.20)	0.78	4.12
At March 31, 2022	6.95	175.27	10.67	192.90
Movement during the year	(8.21)	(87.64)	(10.67)	(106.52)
At March 31, 2023	(1.26)	87.63	-	86.37

In the absence of reasonable certainty that the Company will be able to used the deferred tax asset in the future, the deferred tax assets have not been recognised.

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15 Provision for employee benefit obligations

	As at March 31, 2023			As at March 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	-	-	-	1.43	2.72	4.15
Gratuity	-	-	-	5.53	17.38	22.91
Total	-	-	-	6.96	20.10	27.06

(i) Compensated absences

	March 31, 2023	March 31, 2022
Current compensated absences expected to be settled within the next 12 months	-	1.43

(ii) Post employment obligations

a) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

	March 31, 2023	March 31, 2022
Opening present value of obligation	-	20.67
Current service cost	-	1.89
Past service cost	-	-
Interest expense	-	1.13
Total amount recognised in profit or loss	-	3.02
Remeasurements		
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	-	(0.27)
Experience (gains)/losses	-	6.92
Changes in asset ceiling excluding amounts included in interest expense	-	-
Total amount recognised in other comprehensive income	-	6.65
Benefit payments	-	(7.45)
Closing present value of obligation	-	22.89
The net liability disclosed above relates to funded and unfunded plans are as follows:		
Unfunded plans	-	22.89

(iii) Principal actuarial assumptions used in valuation of gratuity

Discount rate	-	6.39%
Salary growth rate	-	5%
Attrition rate	-	30%

Estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(iv) Sensitivity analysis

The below table summarises the impact of movement in key assumptions on the present value obligation as at the balance sheet date:

	March 31, 2023	March 31, 2022
a) Gratuity		
Discount rate:		
+ 100 basis points	-	(0.61)
- 100 basis points	-	0.65
Salary escalation rate:		
+ 100 basis points	-	0.75
- 100 basis points	-	(0.72)
b) Compensated absence		
Discount rate:		
+ 100 basis points	-	(0.10)
- 100 basis points	-	0.11
Salary escalation rate:		
+ 100 basis points	-	0.13
- 100 basis points	-	(0.12)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to the significant actuarial assumptions the same method (present value of defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability in the balance sheet.

The methods and types of assumption used in preparing the sensitivity analysis did not change compared to the prior period.

(v) Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of gross salary as per regulations. The contributions are made to registered provident fund administered by Government by holding company. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Nil (March 31, 2022: Rs.11.60 lakhs)

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Chennai

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
16 Trade payables		
Dues to micro and small enterprises (Refer Note 34)	4.66	7.93
Dues to creditors other than micro and small enterprises	57.34	62.99
Total	62.00	70.92

Trade payables ageing schedule
As at March 31, 2023

	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro, small and medium enterprises	30.41	1.28	-	-	-	31.69
Total outstanding dues of creditors other than micro, small and medium enterprises	19.99	10.32	-	-	-	30.31
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
	50.40	11.60	-	-	-	62.00

As at March 31, 2022

	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro, small and medium enterprises	-	7.93	-	-	-	7.93
Total outstanding dues of creditors other than micro, small and medium enterprises	15.15	47.84	-	-	-	62.99
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
	15.15	55.77	-	-	-	70.92

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 29.

17 Other financial liabilities		
Current		
Security deposits	34.33	34.86
Interest payable to micro enterprises and small enterprises (Refer note 34)	1.83	1.82
Total	36.16	36.68
18 Other current liabilities		
Salaries, wages, bonus and other employee payables	-	11.91
Contract liability - Advance received from customer	59.48	54.28
Statutory dues payable	3.49	8.22
Total	62.97	74.41

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Sterling Holiday Resorts (Kodaikanal) Ltd Chennai

Sterling Holiday Resorts (Kodaikanal) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
19	**Revenue from operations**		
(a)	**Disaggregation of revenue:**		
	On the basis of nature of goods or services:		
	Sale of products		
	Food and beverages	298.70	232.56
	Sale of services		
	- Room rentals	1,282.61	794.24
	- Others	135.94	87.98
	Other operating revenues		
	Service charges	19.33	14.41
	Total	1,736.58	1,129.19
	On the basis of timing of transfer of goods or services		
	At a point in time	1,736.58	1,129.19
		1,736.58	1,129.19

		Year ended March 31, 2023	For the year ended March 31, 2022
(b)	**Movement in contract liabilities as per Ind AS 115 - Revenue from contracts with customers**		
	Opening balance	54.28	34.09
	Additions during the year (net)	59.48	54.28
	Income recognized during the year	(54.28)	(34.09)
	Closing balance	59.48	54.28

Contract liabilities pertain to advances received from customers which will be recognized as revenue when the service is rendered.

20	**Other Income**		
	Management services income	278.01	30.61
	Scrap sales	0.54	0.77
	Interest Income	0.20	0.78
	Total	278.75	32.16
21	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	2.40	2.05
	Add: Purchases	127.40	91.61
	Less: Inventory of materials at the end of the year	2.27	2.40
	Cost of materials consumed	127.53	91.26
22	**Employee benefits expense**		
	Salaries, wages and bonus	4.12	168.33
	Contribution to provident and other funds	-	14.01
	Gratuity	-	3.03
	Compensated absences	-	2.48
	Staff welfare expenses	41.46	21.46
	Total	45.58	209.31

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.

23	**Finance cost**		
	Interest and finance charges on financial liabilities measured at amortized cost	113.24	120.94
	Bank charges	5.66	4.52
	Total	118.90	125.46
24	**Depreciation**		
	Depreciation of property, plant and equipment	4.24	4.35
	Total	4.24	4.35

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KODAIKANAL LTD CHENNAI

Sterling Holiday Resorts (Kodaikanal) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
25	**Other expenses**		
	Consumption of stores and spares	37.95	19.35
	Power and fuel	115.11	91.74
	Rent	232.05	103.14
	Repairs and maintenance:		
	- Building	21.47	12.84
	- Plant and machinery	40.10	22.20
	- Others	11.94	5.03
	Insurance	4.00	4.21
	Rates and taxes	34.59	20.39
	Guest supplies	20.27	8.71
	Laundry expenses	25.05	19.23
	Communication	6.68	3.27
	Recruitment and training	0.35	0.15
	Travel and tours	49.59	28.07
	Legal and professional	14.11	6.38
	Management and brand fees	580.80	360.05
	Payment to statutory auditors:		
	As Auditor:		
	- Statutory audit	3.50	3.85
	Travel and conveyance	8.60	5.36
	Security charges	21.54	14.91
	Sales commission	83.99	50.95
	Sales promotion	0.86	1.29
	Printing and stationery	2.66	2.20
	Miscellaneous expenses	5.31	13.19
	Total	1,320.52	796.51

		Year ended March 31, 2023	Year ended March 31, 2022
26	**Income tax expense**		
	a) Amount recognised in profit or loss		
	Current tax for the year	-	-
	Deferred tax expense for the year	-	-
	Income tax expense	-	-
	b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:		
	Profit/ (Loss) before income tax expense	398.56	(65.54)
	Tax at the Indian tax rate of 25.168% (Previous year: 25.168%)	100.31	(16.50)
	Net tax effects of temporary differences which are (deductible)/disallowed in calculating taxable income	0.47	0.47
	Setting Off against available business losses	(100.78)	(16.02)
	Income tax expense	-	-
	c) Tax losses		
	Amount of deductible temporary differences on which no deferred tax assets has been recognised	(4.99)	40.93
	Unused tax losses for which no deferred tax assets have been recognised	348.02	738.78
	Potential tax benefit at 25.168%	86.33	178.40
	Tax losses available		
	Date of expiry to carry forward		
	31-Mar-31	-	59.60
	31-Mar-30	68.29	213.17
	31-Mar-29	206.48	169.57
	31-Mar-28	30.85	135.64
	31-Mar-27	-	9.56
	31-Mar-26	-	94.00
	31-Mar-24	-	14.84
	Indefinite period to carry forward	42.40	42.40
	Total	348.02	738.78

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(All amounts in INR lakhs, unless otherwise stated)

27 Fair value measurements

Financial instruments by category

	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	19.10	-	-	21.35
Cash and cash equivalents	-	-	18.67	-	-	6.70
Other financial assets	-	-	13.57	-	-	11.69
Total financial assets	-	-	51.34	-	-	39.74
Financial liabilities						
Borrowings	-	-	966.74	-	-	1,269.20
Trade payables	-	-	62.00	-	-	70.92
Other financial liabilities	-	-	36.16	-	-	36.68
Total financial liabilities	-	-	1,064.90	-	-	1,376.80

(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

At March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	13	-	-	966.74	966.74
Lease liability	36	-	-	-	-
Total financial liabilities		-	-	966.74	966.74

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	13	-	-	1,269.20	1,269.20
Lease liability	36	-	-	-	-
Total financial liabilities		-	-	1,269.20	1,269.20

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, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Borrowings	966.74	966.74	1,269.20	1,269.20
Lease liability	-	-	-	-
Total financial liabilities	966.74	966.74	1,269.20	1,269.20

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) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

28 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.

(b) Expected credit loss for trade receivables under simplified approach

At March 31, 2023

Ageing	Upto 180 days past due	More than 180 days past due	Total
Gross carrying amount	19.10	-	19.10
Expected loss rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-

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(All amounts in INR lakhs, unless otherwise stated)

28 Financial risk management (contd.)
For the year ended March 31, 2023 and March 31, 2022:
(b) Expected credit loss for trade receivables under simplified approach (contd.)
At March 31, 2022

Ageing	Upto 180 days past due	More than 180 days past due	Total
Gross carrying amount	21.35	-	21.35
Expected loss rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-

(c) Reconciliation of loss allowance provision- Trade receivables

Loss allowance on April 1, 2021	-
Changes in loss allowances due to	
Provision made in the year	-
Recoveries	-
Loss allowance on March 31, 2022	-
Changes in loss allowances due to	
Provision made in the year	-
Recoveries	-
Loss allowance on March 31, 2023	-

(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
At March 31, 2023						
Non-derivatives						
Borrowings	906.95	906.95	-	-	-	906.95
Trade payables	62.00	62.00	-	-	-	62.00
Other financial liabilities	36.16	36.16	-	-	-	36.16
Total non-derivative liabilities	1,005.11	1,005.11	-	-	-	1,005.11
At March 31, 2022						
Non-derivatives						
Borrowings	1,269.20	1,269.20	-	-	-	1,269.20
Trade payables	70.92	70.92	-	-	-	70.92
Other financial liabilities	36.68	36.68	-	-	-	36.68
Total non-derivative liabilities	1,376.80	1,376.80	-	-	-	1,376.80

29 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, 2022: 9.25% per annum) in order to meet its capital requirements. As at March 31, 2023, 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 INR lakhs, unless otherwise stated)

30 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. Balasubramaniyan (Resigned as Director with effect from July 26, 2022) A Muthukumaran (Director from May 4, 2022 to July 26, 2022) Ramesh Shanmugham (Director) Vikram Dayal Lalvani (Director) L Krishna kumar (Appointed as Director from July 26, 2022)

(b) Parent entities

The Company is controlled by following entity:

Name of entity	**Type**	**Ownership interest held by the Group**	
		March 31, 2023	**March 31, 2022**
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, 2023	**Year ended March 31, 2022**
Sale of services		
Thomas Cook (India) Limited	-	0.13
TC Tours Limited	1.70	4.17
Lease rent expenses		
Sterling Holiday Resorts Limited	213.89	94.81
Brand expenses		
Sterling Holiday Resorts Limited	34.41	24.04
Rental income		
Sterling Holiday Resorts Limited	278.01	30.61
Management fees		
Sterling Holiday Resorts Limited	329.84	336.01
Amount received towards sale of service		
TC Tours Private Limited	1.70	-
Interest on borrowings		
Sterling Holiday Resorts Limited	113.24	120.94
Reimbursement expenses paid		
Sterling Holiday Resorts Limited	68.87	-
Expenses in connection with Business support service		
Sterling Holiday Resorts Limited	204.55	-
Loans availed		
Sterling Holiday Resorts Limited	-	1,307.03
Loans repaid		
Sterling Holiday Resorts Limited	362.25	1,265.10
Advances granted		
Sterling Holiday Resorts Limited	1,553.01	1,307.03
Advances received		
Sterling Holiday Resorts Limited	740.83	1,265.10

(d) Outstanding balances as at year end

	As at March 31, 2023	**As at March 31, 2022**
The following balances are outstanding at the end of the reporting period:		
Trade receivables		
TC Tours Limited	-	1.13
Borrowings		
Sterling Holiday Resorts Limited	906.95	1,269.20
Interest accrued		
Sterling Holiday Resorts Limited	59.79	19.08

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(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
31	**Contingent liabilities and contingent assets**		
	Contingent liabilities	-	-

32 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.

33 The Company has identified only one reportable segment. The entire Company's business is from resort operations and maintenance services (being leisure hospitality services) and there are no other reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation during the year are all as reflected in the financial statements as at and for the year ended March 31, 2023.

34 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

		As at March 31, 2023	As at March 31, 2022
i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.66	7.93
ii	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.82	1.82
iii	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	37.69
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	-	0.70
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	1.11

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Sterling Holiday Resorts (Kodaikanal) Ltd Chennai

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(All amounts in Rs. lakhs, unless otherwise stated)

35 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	0.04	0.03	55%	Increase in advance to holding company led to increase in current ratio
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	1.16	1.09	6%	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	1.18	0.04	2675%	Coverage improves on healthy profitability
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	34%	-5%	39%	Ratio healthier on better profitability
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	14.73	15.87	-7%	
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	85.86	70.93	21%	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	2.00	1.60	24%	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	1.61	0.79	105%	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	23%	-6%	29%	Higher turnover and better cost management
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-6668%	-65%	-10105%	Better profitability improves ROCE

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Sterling Holiday Resorts (Kodaikanal) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2023
(All amounts in Rs. lakhs, 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.

37 Earnings per share

	March 31, 2023	March 31, 2022
Profit/(Loss) for the year attributable to the equity holders of the Company	398.56	(65.54)
Weighted average number of equity shares outstanding	50,000	50,000
Basic earnings per share	797.12	(131.08)

38 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 18, 2023

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date: April 28, 2023

L Krishnakumar
Director
DIN No.: 03088801
Place: Chennai
Date: April 28, 2023

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 2023, 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 a summary of significant 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 2023, 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.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

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 that the back-up of customer reservation system which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of backup of certain books of accounts in servers physically located in India, therewith as stated in the paragraph 2(A)(b) above.

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 2023 on its financial position in its financial statements - Refer Note 32 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 those disclosed in Note 37 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, other than those disclosed in Note 37 to the financial statements, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or 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.

(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 managerial remuneration during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) 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:23217042BGRWHH7796

Place: Chennai

Date: 18 May 2023

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2023

(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 has maintained proper records showing full particulars of intangible assets.

(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 on yearly basis. In accordance with this programme, entire 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 inventories were physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage us followed by management were appropriate. No material 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 lòans, 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2023 (Continued)

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

Accordingly to the explanation and information 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 Services Tax ('GST'),Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2023 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 Luxury tax and Income-Tax 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	AY 1998-99 to 2017-2018	Madras High court
The Income tax Act	Income tax	10.83	AY 2018-19	The 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2023 (Continued)

(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 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(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 Company is a private limited company and accordingly 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2023 (Continued)

(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.

(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:23217042BGRWHH7796

Place: Chennai
Date: 18 May 2023

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2023

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)(i) 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 2023 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 2023, 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.

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2023 (Continued)

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 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:23217042BGRWHH7796

Place: Chennai
Date: 18 May 2023

Sterling Holidays (Ooty) Limited
Balance Sheet as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, Plant and Equipment	4	36.72	22.55
Financial assets			
Other financial assets	5	19.64	11.76
Other tax assets (net)	5A	50.29	21.00
Deferred tax assets	14	0.12	100.29
Total non-current assets		**106.77**	**155.60**
Current assets			
Inventories	6	21.95	14.32
Financial assets			
i. Trade receivables	7	25.79	29.30
ii. Cash and cash equivalents	8	24.04	2.35
iii. Other financial assets	5	0.97	-
Other current assets	9	182.21	49.15
Total current assets		**254.96**	**95.12**
Total assets		**361.73**	**250.72**
Equity and liabilities			
Equity			
Equity share capital	10	5.00	5.00
Other equity			
Reserves and surplus	11	(75.20)	(683.20)
Other reserves	12	68.58	68.58
Total equity		**(1.62)**	**(609.62)**
Liabilities			
Non-current liabilities			
Provision for employee benefit obligations	15	-	14.16
Total non-current liabilities		-	**14.16**
Current liabilities			
Financial liabilities			
i. Borrowings	13	0.19	630.00
ii. Trade payables			
a) total outstanding dues of micro enterprises and small enterprises; and	16	9.80	16.53
b) total outstanding dues of creditors other than micro enterprises and small enterprises	16	139.58	84.66
iii. Other financial liabilities	17	18.54	18.82
Provisions			
Provision for employee benefit obligations	15	-	4.94
Current tax liabilities	18	111.72	-
Other current liabilities	19	83.52	91.23
Total current liabilities		**363.35**	**846.18**
Total liabilities		**363.35**	**860.34**
Total equity and liabilities		**361.73**	**250.72**
Significant accounting policies	1.3		

The notes referred to above from 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 18, 2023

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

Vikram Lalvani

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date: April 28, 2023

L Krishna kumar
Director
DIN No.: 00420790
Place: Chennai
Date: April 28, 2023

Sterling Holidays (Ooty) Limited
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	20	2,687.06	1,170.21
Other income	21	249.94	48.05
Total Income		**2,937.00**	**1,218.26**
Expenses			
Cost of materials consumed	22	196.45	85.95
Employee benefits expense	23	71.77	250.10
Finance costs	24	61.49	60.40
Depreciation and amortisation expense	25	3.22	2.79
Other expenses	26	1,784.19	956.07
Total expenses		**2,117.12**	**1,355.31**
Profit / (Loss) before tax		**819.88**	**(137.05)**
Tax expense	27		
Current tax		111.84	-
Deferred tax		100.04	(36.58)
Profit / (Loss) for the year		**608.00**	**(100.47)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit (asset)/liability		-	(2.20)
Income tax relating to this item		-	-
Other comprehensive (loss)/income for the year, net of income tax		-	**(2.20)**
Total comprehensive Income/ (loss) for the year		**608.00**	**(102.67)**
Earnings per share (Face value of INR 10 each)			
Basic earnings per share		1,216.00	(200.94)
Significant accounting policies	1.3		

The notes referred to above from 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 18, 2023

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

Vikram Lalvani

Vikram Dayal Lalvani
Director
DIN No.: 07115464 Place: Chennai
Date: April 28, 2023

Krishna kumar

L Krishna kumar
Director
DIN No.: 00420790
Place: Chennai
Date: April 28, 2023

Sterling Holidays (Ooty) Limited
Statement of cash flows for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
Cash flow from operating activities			
Profit/ (Loss) before income tax		**819.88**	(137.05)
Adjustments for			
Depreciation	25	3.22	2.79
Finance costs	24	61.49	56.09
Operating cash flow before working capital changes		**884.59**	**(78.17)**
Change in operating assets and liabilities			
(Increase)/decrease in trade receivables	7	3.51	(20.82)
Increase in inventories	6	(7.63)	(6.06)
(Increase)/decrease in other financial assets	5	(8.85)	18.92
(Increase)/decrease in other current assets	9	(133.11)	9.44
Increase in trade payables	16	48.19	14.66
Decrease in other financial liabilities	17	(0.28)	(0.28)
Decrease in employee benefit obligations	15	(19.10)	(1.76)
Increase/(decrease) in provisions	18	-	(0.36)
Increase/(decrease) in other current liabilities	19	(7.77)	3.08
Cash generated from / (used in) operations		**759.55**	**(61.35)**
Income tax paid		(29.17)	(11.21)
Net cash generated from / (used in) operating activities		**730.38**	**(72.56)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(17.39)	(2.24)
Net cash used in investing activities		**(17.39)**	**(2.24)**
Cash flows from financing activities			
Proceeds from loan taken from holding company		-	1,378.97
Repayment of loan from holding company		(624.14)	(1,240.97)
Interest paid		(67.16)	(61.80)
Net cash generated from/ (used in) financing activities		**(691.30)**	**76.20**
Net increase in cash and cash equivalents		**21.69**	**1.40**
Cash and cash equivalents at the beginning of the year	8	2.35	0.95
Cash and cash equivalents at end of the year		**24.04**	**2.35**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents comprise of the following			
Cash and cash equivalents	8	24.04	2.35
Balance as per statement of cash flows		24.04	2.35
Significant accounting policies	1.3		

The notes referred to above from 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 18, 2023

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

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date: April 28, 2023

L Krishnakuamr
Director
DIN No.: 00420790
Place: Chennai
Date: April 28, 2023

Sterling Holidays (Ooty) Limited
Statement of changes in equity for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2021		5.00
Changes in equity share capital during the year	10	-
Balance as at March 31, 2022		5.00
Changes in equity share capital during the year	10	-
Balance as at March 31, 2023		5.00

II) Other equity

	Note	Reserves and surplus	Other reserves	
		Retained earnings	Contribution from holding company	Total
Balance as at April 1, 2021		(580.53)	68.58	(511.95)
Loss for the year	11 & 12	(100.47)	-	(100.47)
Other comprehensive loss	11 & 12	(2.20)	-	(2.20)
Balance as at March 31, 2022		(683.20)	68.58	(614.62)
Profit for the year	11 & 12	608.00	-	608.00
Other comprehensive loss	11 & 12	-	-	-
Balance as at March 31, 2023		(75.20)	68.58	(6.62)

Significant accounting policies 1.3

The notes referred to above from 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 18, 2023

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

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date: April 28, 2023

L Krishna kumar
Director
DIN No.: 00420790
Place: Chennai
Date: April 28, 2023

1.1. Reporting entity

Sterling Holiday (Ooty) Limited (the "Company") is engaged in providing resort operations and maintenance services [being leisure hospitality services]. 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

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on April 28, 2023

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value (Refer Note 28).
- defined benefit plans — plan assets measured at fair value (Refer Note 15).

As at year ended March 31, 2023 and has accumulated losses of Rs. 75.20 lakhs (which have fully eroded the net worth of the Company) as at the balance sheet date. During the year, the Company had earned a profit be tax of INR 819.88 Lakhs. 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 future business plans, approved cash flow projections for the next 12 months, 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. 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 Parent 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 34 for segment information presented.

1.2.3. Current/ Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.2.4. Foreign currency transaction

a) 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 Indian rupee (Rs.) which is the Company's functional and presentation currency.

b) 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.

B S R & Co. LLP * Chartered Accountants *

1.3. **Significant accounting policies**

1.3.1. **Revenue recognition**

The Company recognises 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. Ind AS 115 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 recognising 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.

(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 at the time of the transaction.

1.3. Significant accounting policies (contd.)

1.3.2. Income taxes (contd.)

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. 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 of consideration.

As a lessee

The Company recognises 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 the following:

– fixed payments, including in substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– 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.

1.3. Significant accounting policies (contd.)

1.3.3 Leases (contd.)

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, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option 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.

The Company presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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.

1.3.4. Impairment of assets

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 group 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.

1.3.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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.

1.3.6. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.3.7. Inventories

Inventories comprising of provisions, perishables, beverages and operating supplies are stated at lower of cost and net realisable 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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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets

a) Classification:

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.

b) 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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into 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.

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1.3. Significant accounting policies (contd.)

1.3.8 Investments and other financial assets (contd.)

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.

c) **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. Notes 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.

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1.3. Significant accounting policies (contd.)

1.3.8 Investments and other financial assets (contd.)

d) **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.

1.3.9. Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are stated at historical cost less depreciation. 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 (in years)
Plant and machinery	15
Furniture and fixtures – general	10
Furniture and fixtures – others	8
Office equipment	5
Computer equipment – Servers & Network	6
Computer equipment – Desktop, laptop and end-user items	3
Electrical installations	10

Assets constructed on leasehold land/leasehold improvements are amortised over the primary period of lease or its estimated useful life, whichever is lower.

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).

1.3.10. Trade and other payables

These amounts represent unsecured liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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1.3. **Significant accounting policies (contd.)**

1.3.11. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

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 reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.3.12. Provisions (other than for employee benefits)

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are not recognised for future operating losses. A provision is recognized if the likelihood of an outflow with respect to any one item included in the same class of obligations is more probable than not. Provisions are measured at the present value of management's best estimate of the expenditure require to settle the present obligation at the end of the reporting period.

1.3.13. Employee benefits

a) Defined contribution plan

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined contribution plan as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

b) Defined benefit plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

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1.3. Significant accounting policies (contd.)

1.3.13. Employee benefits (contd.)

c) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.
Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

1.3.14. 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, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Note 38).

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- 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.

2. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off and presented in lakhs with decimals as per the requirement of Schedule III, unless otherwise stated.

3. 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 estimate or judgement are:

Note 14 - Recognition of deferred tax assets

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4. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

(iii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The quantum of revenue deferred due to uncertainty of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

Customer unexercised rights. The Company considers the expected Customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of utilisation of membership by the customer. The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been 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 Group does not expect this amendment to have any significant impact in its financial statements.

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(All amounts in INR lakhs, unless otherwise stated)

4 Property, plant and equipment

Reconciliation of carrying amount for the year ended March 31, 2022:

Asset description	Plant and machinery	Furniture and fixtures	Office equipment	Electrical installations	Computer equipment	Total
I. Gross Block						
Balance as at April 1, 2021	9.78	4.16	0.79	13.96	0.84	29.53
Additions	2.24	-	-	-	-	2.24
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	12.02	4.16	0.79	13.96	0.84	31.77
II. Accumulated depreciation						
Balance as at April 1, 2021	2.87	1.44	0.73	1.06	0.33	6.43
Depreciation for the year	0.68	0.44	-	1.51	0.16	2.79
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	3.55	1.88	0.73	2.57	0.49	9.22
Net block (I-II)						
Balance as at March 31, 2022	8.47	2.28	0.06	11.39	0.35	22.55
Balance as at March 31, 2021	6.91	2.72	0.06	12.90	0.51	23.10

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

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Sterling Holidays (Ooty) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2023		As at March 31, 2022	
		Current	Non current	Current	Non current
5	**Other financial assets**				
	Security deposits	-	19.64	-	11.76
	Other receivables	0.97	-	-	-
	Total	0.97	19.64	-	11.76

		As at March 31, 2023	As at March 31, 2022
5A	**Other tax assets**		
	TDS receivable	50.29	21.00
	Total	50.29	21.00
6	**Inventories**		
	Food and beverages	3.57	2.34
	Operating supplies	18.38	11.98
	Total	21.95	14.32
7	**Trade receivables**		
	Current - Unsecured		
	Considered good	25.79	29.30
	Considered doubtful	-	-
		25.79	29.30
	Less: Loss allowance	-	-
	Total	25.79	29.30
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties (Refer Note 31)	0.26	0.38
	Loss allowance	-	-
	Net trade receivables from related parties	0.26	0.38

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, 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	25.11	0.67	-	-	-	-	25.79
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	25.11	0.67	-	-	-	-	25.79

As at March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	1.82	27.48	-	-	-	-	29.30
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	1.82	27.48	-	-	-	-	29.30

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Sterling Holidays (Ooty) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
8	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	20.45	2.03
	Cash on hand	3.59	0.32
	Total	**24.04**	**2.35**
9	**Other current assets**		
	Prepaid expenses	9.06	9.10
	Advances to suppliers	7.01	-
	Advance made towards management and brand fees	160.23	-
	Balances with statutory authorities	5.91	40.05
	Total	**182.21**	**49.15**

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10 Equity share capital

Authorised equity share capital

Authorised	March 31, 2023	March 31, 2022
0.5 lakhs (March 31, 2022: 0.5 lakhs) equity shares of Rs.10 each	5.00	5.00
Issued, subscribed and paid-up 0.5 lakhs (March 31, 2022: 0.5 lakhs) equity shares of Rs.10 each	5.00	5.00
As at Mar 31, 2023	**5.00**	**5.00**

Reconciliation of shares outstanding at the beginning and at the end of the year

	March 31, 2023		March 31, 2022	
	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, 2023		March 31, 2022	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares of Rs. 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, 2023		March 31, 2022	
	Number *in lakhs*	% of total shares in class	Number *in lakhs*	% of total shares in class
Equity shares of Rs. 10 each held by				
Sterling Holiday Resorts Limited (Holding Company)	0.49	98%	0.49	98%

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Sterling Holidays (Ooty) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
11 Reserves and surplus		
Retained earnings	(75.20)	(683.20)
Total	(75.20)	(683.20)

Movement in reserves and surplus balances is as follows :

a) Retained earnings

Opening balance	(683.20)	(580.53)
(Loss) / Profit for the year	608.00	(100.47)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	-	(2.20)
Closing balance	(75.20)	(683.20)

12 Other reserves

	Contribution from holding company	
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.

13 Current borrowings

Unsecured loan from holding company	-	624.14
Interest accrued but not due on borrowings	0.19	5.86
Total	0.19	630.00

Unsecured loan from holding company

Unsecured loan amounting to Rs. Nil outstanding as on March 31, 2023 (March 31, 2022: Rs. 624.14 lakhs) from Sterling Holiday Resorts Limited (holding company) carries an interest rate of 9.25% p.a (March 31, 2022: 9.25% p.a) and is repayable on demand.

Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars		
Current borrowings	-	624.14
Net debt	-	624.14

Particulars	**Total**
Balance as at April 1, 2021	**486.14**
Proceeds from loans and borrowings	1,378.97
Repayment of borrowings	(1,240.97)
Balance as at March 31, 2022	**624.14**
Proceeds from loans and borrowings	-
Repayment of borrowings	(624.14)
Balance as at March 31, 2023	**0.00**

14 Deferred tax assets

The balance comprises temporary differences attributable to:

Deferred tax assets		
Property, plant and equipment	(0.76)	0.87
Unabsorbed depreciation allowance and business loss carried forward	-	94.61
Provision for employee benefits	-	4.81
Others	0.88	-
Net deferred tax asset as per the balance sheet	(0.12)	(100.29)
Unrecognised deferred tax assets	-	-

Movement in deferred tax assets

	Property, plant and equipment	Provision for employee benefits	Others	Unabsorbed depreciation allowance and business loss carried forward	Total
At April 1, 2021	0.42	6.62	-	56.67	63.71
charged/(credited):					
- to profit or loss	0.46	(1.81)	-	37.94	36.58
At March 31, 2022	0.87	4.81	-	94.61	100.29
charged/(credited):					
- to profit or loss	(1.63)	(4.81)	0.88	(94.61)	(100.17)
At March 31, 2023	(0.76)	-	0.88	-	0.12

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15 Provision for employee benefit obligations

	As at Mar 31, 2023			As at March 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	-	-	-	1.57	3.34	4.91
Gratuity	-	-	-	3.37	10.82	14.19
Total	-	-	-	4.94	14.16	19.10

(i) Compensated absences

	March 31, 2023	March 31, 2022
Current compensated absences expected to be settled within the next 12 months	-	1.57

(ii) Post employment obligations

a) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

	March 31, 2023	March 31, 2022
Opening present value of obligation	11.73	13.26
Current service cost	-	1.83
Interest expense	-	0.78
Total amount recognised in profit or loss	-	2.61
Remeasurements		
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	-	(0.19)
Experience (gains)/losses	-	2.39
Total amount recognised in other comprehensive income	-	2.20
Benefit payments	(11.73)	(3.88)
Closing present value of obligation	-	11.73

The net liability disclosed above relates to funded and unfunded plans are as follows:

Unfunded plans	-	11.73

(iii) Principal actuarial assumptions used in valuation of gratuity

Discount rate	-	6.81%
Salary growth rate	-	5%
Attrition rate	-	30%

Estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(iv) Sensitivity analysis

The below table summarises the impact of movement in key assumptions on the present value obligation as at the balance sheet date:

a) Gratuity	March 31, 2023	March 31, 2022
Discount rate:		
+ 100 basis points	-	(0.43)
- 100 basis points	-	0.46
Salary escalation rate:		
+ 100 basis points	-	0.53
- 100 basis points	-	(0.51)
b) Compensated absence		
Discount rate:		
+ 100 basis points	-	(0.80)
- 100 basis points	-	0.83
Salary escalation rate:		
+ 100 basis points	-	0.11
- 100 basis points	-	(0.11)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to the significant actuarial assumptions the same method (present value of defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability in the balance sheet.

The methods and types of assumption used in preparing the sensitivity analysis did not change compared to the prior period.

(v) Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of gross salary as per regulations. The contributions are made to registered provident fund administered by Government by holding company. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. Nil (March 31, 2022: Rs.12.18 lakhs).

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
16 Trade payables		
Dues to micro and small enterprises (Refer Note 35)	9.80	16.53
Dues to creditors other than micro and small enterprises	139.58	84.66
Total	**149.38**	**101.19**

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 30.

As at March 31, 2022

	Not due	Outstanding for following periods from due date of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total outstanding dues of micro, small and medium enterprises	-	16.53	-	-	-	16.53
Total outstanding dues of creditors other than micro, small and medium enterprises	41.22	43.44	-	-	-	84.66
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
	41.22	**59.97**	**-**	**-**	**-**	**101.19**

As at March 31, 2023

	Not due	Outstanding for following periods from due date of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
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	132.96	6.62	-	-	-	139.58
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
	140.35	**9.03**	**-**	**-**	**-**	**149.38**

	As at March 31, 2023	As at March 31, 2022
17 Other financial liabilities		
Current		
Security deposits	18.54	18.82
	18.54	**18.82**
18 Current tax liabilities		
Provision for income tax	111.72	-
Total	**111.72**	**-**
19 Other current liabilities		
Salaries, wages, bonus and other employee payables	-	14.48
Contract liability - Advance received from customer	66.09	65.89
Statutory dues payable	17.43	10.86
Total	**83.52**	**91.23**

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(All amounts in INR lakhs, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
20	**Revenue from operations**		
(a)	**Disaggregation of revenue:**		
	On the basis of nature of goods or services:		
	Sale of products		
	Food and beverages	381.32	196.10
	Sale of services		
	- Room rentals	2,145.95	888.28
	- Others	134.98	71.32
	Other operating revenues		
	Service charges	24.81	14.51
	Total	**2,687.06**	**1,170.21**
	On the basis of timing of transfer of goods or services		
	At a point in time	2,687.06	1,170.21
		2,687.06	**1,170.21**
(b)	**Movement in contract liabilities as per Ind AS 115 - Revenue from contracts with customers**		
	Opening balance	65.89	63.78
	Additions during the year (net)	66.09	65.89
	Income recognized during the year	(65.89)	(63.78)
	Closing balance	**66.09**	**65.89**

Contract liabilities pertain to advances received from customers which will be recognized as revenue when the service is rendered.

		Year ended March 31, 2023	Year ended March 31, 2022
21	**Other income**		
	Management services income	249.53	46.70
	Scrap sales	0.03	0.64
	Interest income	0.38	0.71
	Total	**249.94**	**48.05**
22	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	2.34	2.40
	Add: Purchases	197.68	85.89
	Less: Inventory of materials at the end of the year	3.57	2.34
	Cost of materials consumed	**196.45**	**85.95**
23	**Employee benefits expense**		
	Salaries, wages and bonus	11.35	192.50
	Contribution to provident and other funds	-	14.82
	Gratuity	-	2.61
	Compensated absences	-	2.38
	Staff welfare expenses	60.42	37.79
	Total	**71.77**	**250.10**

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, 2023	Year ended March 31, 2022
24	**Finance cost**		
	Interest and finance charges on financial liabilities measured at amortized cost	54.39	56.09
	Bank charges	7.10	4.31
	Total	**61.49**	**60.40**

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(All amounts in INR lakhs, unless otherwise stated)

		March 31, 2023	March 31, 2022
25	**Depreciation**		
	Depreciation of property, plant and equipment	3.22	2.79
	Total	**3.22**	**2.79**
26	**Other expenses**		
	Consumption of stores and spares	65.28	27.93
	Power and fuel	154.28	105.56
	Rent	292.71	122.96
	Repairs and maintenance:		
	- Building	42.35	16.25
	- Plant and machinery	46.55	28.55
	- Others	14.88	3.63
	Insurance	12.57	12.56
	Rates and taxes	47.83	30.24
	Guest supplies	40.68	16.62
	Laundry expenses	29.36	15.93
	Communication	8.53	0.29
	Printing & Stationery	5.40	2.81
	Recruitment and training	5.03	0.50
	Travel and tours	51.43	29.20
	Legal and professional	20.59	1.30
	Management and brand fees	734.52	397.78
	Payment to statutory auditors:		
	As Auditor:		
	- Statutory audit	3.50	3.85
	Travel and conveyance	10.60	4.84
	Security charges	21.75	15.54
	Water charges	19.95	16.97
	Sales commission	150.11	72.25
	Sales promotion	1.74	2.20
	Miscellaneous expenses	4.55	28.31
	Total	**1,784.19**	**956.07**
27	**Income tax expenses**		
	a) Amount recognised in profit or loss		
	Current tax		
	Current tax for the year	111.84	-
	Total	**111.84**	**-**
	Deferred tax expense		
	(Increase)/Decrease in deferred tax assets	100.04	(36.58)
	Total	**100.04**	**(36.58)**
	Income tax (credit) / expense	**211.88**	**(36.58)**
	b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:		
	(Loss) / Profit before income tax expense	819.88	(137.05)
	Tax expense / (income) computed at Indian Tax rate of 25.168% (Previous year: 25.168%)	206.35	(34.49)
	Net Tax effects of amount which are deductible/disallowed in calculating taxable income - other than temporary differences	5.53	(2.09)
	Income tax expense	**211.88**	**(36.58)**

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Sterling Holidays Chennai

(All amounts in INR lakhs, unless otherwise stated)

28 Fair value measurements

Financial Instruments by category

	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	25.79	-	-	29.30
Cash and cash equivalents	-	-	24.04	-	-	2.35
Other financial assets	-	-	20.61	-	-	11.76
Total financial assets	-	-	70.44	-	-	43.41
Financial liabilities						
Borrowings	-	-	0.19	-	-	624.14
Trade payables	-	-	149.38	-	-	101.19
Other financial liabilities	-	-	18.54	-	-	18.82
Total financial liabilities	-	-	168.11	-	-	744.15

(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, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	13	-	-	0.19	0.19
Total financial liabilities		-	-	0.19	0.19

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	13	-	-	624.14	624.14
Total financial liabilities		-	-	624.14	624.14

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, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowings	0.19	0.19	624.14	624.14
Total financial liabilities	0.19	0.19	624.14	624.14

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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29 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 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 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:

Internal rating	Category	Description of category	Basis for recognition of expected credit loss provision	
			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

(All amounts in INR lakhs, unless otherwise stated)

29 Financial risk management (continued)
For the year ended March 31, 2022 and March 31, 2023:

(a) Expected credit loss for deposits
The estimated gross carrying amount at default is Nil (March 2022: Nil) for deposits. Consequently there are no expected credit loss recognised for these financial assets.

(b) Expected credit loss for trade receivables under simplified approach

As at March 31, 2023

Ageing	Upto 180 days past due	More than 180 days past due	Total
Gross carrying amount	25.79	-	25.79
Expected loss rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-

As at March 31, 2022

Ageing	Upto 180 days past due	More than 180 days past due	Total
Gross carrying amount	29.30	-	29.30
Expected loss rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-

(c) Reconciliation of loss allowance provision- Trade receivables

Loss allowance on April 1, 2021	4.55
<u>Changes in loss allowances due to</u>	
Provision during the year	-
Recoveries	(4.55)
Loss allowance on March 31, 2022	-
<u>Changes in loss allowances due to</u>	
Provision during the year	-
Recoveries	-
Loss allowance on March 31, 2023	-

(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.

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(All amounts in INR lakhs, unless otherwise stated)

29 Financial risk management (continued)
For the year ended March 31, 2022 and March 31, 2023:

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, 2023						
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
As at March 31, 2022						
Non-derivatives						
Borrowings	624.14	624.14	-	-	-	624.14
Trade payables	101.19	101.19	-	-	-	101.19
Other financial liabilities	18.82	18.82	-	-	-	18.82
Total non-derivative liabilities	744.15	744.15	-	-	-	744.15

30 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, 2022: 9.25% per annum) in order to meet its capital requirements. As at March 31, 2023 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 the property which was recently refurbished. It is also fully supported by the holding company for funding.

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(All amounts in INR lakhs, unless otherwise stated)

31 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. Balasubramaniyan (Resigned as Director with effect from July 26, 2022)
	A Muthukumaran (Appointed as Director from May 4, 2022 to July 26, 2022)
	Ramesh Shanmugham (Director)
	Vikram Dayal Lalvani (Director)
	L Krishna kumar (Appointed as Director from July 26, 2022)

(b) Parent entities

The Company is controlled by following entity:

Name of entity	Type	Ownership interest held by the Group	
		March 31, 2023	March 31, 2022
Sterling Holiday Resorts Limited	Holding company	98%	98%

(c) Transactions with related parties
Transactions with related parties are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Thomas Cook (India) Limited	-	-
TC Tours Limited	2.10	1.15
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited)	0.75	-
Lease rent expenses		
Sterling Holiday Resorts Limited	276.32	122.96
Brand expenses		
Sterling Holiday Resorts Limited	53.34	24.04
Rent Income		
Sterling Holiday Resorts Limited	249.53	46.70
Management fees		
Sterling Holiday Resorts Limited	403.49	373.74
Interest on borrowings		
Sterling Holiday Resorts Limited	50.39	56.09
Reimbursement expenses paid		
Sterling Holiday Resorts Limited	39.97	-
Expenses in connection with Business support service		
Sterling Holiday Resorts Limited	244.83	-
Services availed		
Terrier Security Services (India) Pvt Ltd	28.42	-
Services charges paid		
Terrier Security Services (India) Pvt Ltd	28.51	-
Amount received towards sale of service		
TC Tours Private Limited	2.10	-
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited)	0.49	-
Loans availed		
Sterling Holiday Resorts Limited	-	1,378.97
Loans repaid		
Sterling Holiday Resorts Limited	624.14	1,240.97
Advances granted		
Sterling Holiday Resorts Limited	3,251.88	1,240.97
Advances received		
Sterling Holiday Resorts Limited	1,993.10	1,378.97

(d) Outstanding balances as at year end

The following balances are outstanding at the end of the reporting period:

	As at March 31, 2023	As at March 31, 2022
Trade receivables		
TC Tours Limited	-	0.88
Travel Corporation (India) Limited	0.26	-
Borrowings		
Sterling Holiday Resorts Limited	-	624.14
Interest accured on loan		
Sterling Holiday Resorts Limited	0.19	5.86
Advance made towards management and brand fees		
Sterling Holiday Resorts Limited	160.23	-

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(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
32	**Contingent liabilities and contingent assets**		
	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	10.83	10.83

(c) Supreme Court vide their judgement dated February 28, 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The Company, based on external advice, believes that there are interpretative challenges on the application of the judgement retrospectively. Based on the advice and in the absence of the reliable measurement of the provision for earlier periods, the Company has not recorded a provision with respect to any period. The Company would update the provision in future based on clarification received from the relevant authorities.

33 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.

34 The Company has identified only one reportable segment. The entire Company's business is from resort operations and maintenance services (being leisure hospitality services) and there are no other reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation during the year are all as reflected in the financial statements as at and for the year ended March 31, 2023.

35 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	9.80	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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(All amounts in INR lakhs, unless otherwise stated)

36 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	0.70	0.11	524%	Increase in advance to holding company led to increase in current ratio
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	224.29	1.41	15793%	Increase in profit & prompt payment of borrowings during the CY 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	0.97	0.03	2948%	Coverage improves on healthy profitability
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	268%	25%	244%	Ratio healthier on better profitability
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	10.83	7.61	42%	Inventory managed better in the current year
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	97.55	61.95	57%	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	1.63	0.98	66%	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	24.79	1.56	1491%	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	23%	-9%	31%	Higher turnover and better cost management
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-61634%	-397%	-61237%	Better profitability improves ROCE

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(All amounts in INR lakhs, unless otherwise stated)

37. 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.

38 Earnings per share	**March 31, 2023**	**March 31, 2022**
Profit / Loss for the year attributable to the equity holders of the Company	608.00	(100.47)
Weighted average number of equity shares outstanding	50,000	50,000
Basic earnings per share	**1,216.00**	**(200.94)**

39 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 18, 2023

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

Vikram Dayal Lalvani
Director
DIN No.: 07115464
Place: Chennai
Date: April 28, 2023

L Krishna kumar
Director
DIN No.: 00420790
Place: Chennai
Date: April 28, 2023

LUXE ASIA (PVT) LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

LUXE ASIA (PVT) LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March,	Note	2023 Rs.	2022 Rs.
Revenue	6	-	922,569
Cost of sales	7	(5,076,951)	(2,697,021)
Gross (Loss) / Profit		**(5,076,951)**	**(1,774,452)**
Other income		-	5,350
Administrative expenses		(8,403,923)	(37,471,707)
Other expenses		-	1,413,212
Impairment losses	8	-	(2,827,201)
Loss from operations	9	**(13,480,874)**	**(40,654,798)**
Net finance expenses	10	(2,634,991)	(12,357,291)
Loss before tax		**(16,115,865)**	**(53,012,090)**
Income tax expense	11	(12,569)	531,120
Loss for the year		**(16,128,434)**	**(52,480,970)**
Other comprehensive income, net of income tax			
Actuarial (Loss)/gain on defined benefit plans		-	-
Deferred tax in relation to OCI		-	(723,175)
		-	**(723,175)**
Total comprehensive income for the year		**(16,128,434)**	**(53,204,145)**
Loss per share	12	**(32.26)**	**(104.96)**

The notes to the Financial Statements form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

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LUXE ASIA (PVT) LTD
STATEMENT OF FINANCIAL POSITION

As at 31 March,	Note	2023 Rs.	2022 Rs.
ASSETS			
Property, plant & equipment	13	1,409,216	2,604,038
Intangible assets	14	23,405	499,715
Deferred tax assets	15	-	-
Total non-current assets		1,432,621	3,103,753
Trade and other receivables	16	36,329	-
Advance and prepayments	17	-	-
Short term Investments		500,000	500,000
Amount due from related parties	18	93,000	-
Cash and cash equivalents	19	1,109,207	4,896,359
Total current assets		1,738,536	5,396,359
Total assets		3,171,157	8,500,112
EQUITY AND LIABILITIES			
Stated capital	20	5,000,000	5,000,000
Preference shares		25,000,000	25,000,000
Accumulated losses		(257,582,739)	(241,454,305)
Total equity		(227,582,739)	(211,454,305)
Liabilities			
Employee benefits	21	-	3,613,127
Amount due to related party	22	139,318,320	102,383,896
Total non-current liabilities		139,318,320	105,997,022
Loans and Borrowings	23	3,150,993	2,377,060
Trade and other payables	24	77,612,773	76,057,058
Current taxation	25	145,181	132,612
Bank overdraft	19	10,526,629	35,390,664
Total current liabilities		91,435,576	113,957,394
Total liabilities		230,753,896	219,954,416
Total equity and liabilities		3,171,157	8,500,112

The notes to the Financial Statements form an integral part of these Financial Statements.

I certify that these Financial Statements are in compliance with the requirements of Companies Act No 7 of 2007.

Shaju Nair A
Head - Foreign Exchange

The Directors are responsible for the preparation and the presentation of these Financial Statements.
Approved and signed for and on behalf of the Board;

Debasis Nandy
Director

Aravinda De Silva
Director

02 August 2023
Colombo.

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For the year ended 31st March 2023,	Stated capital	Preference shares	Accumulated Loss	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2021	**5,000,000**	**25,000,000**	**(188,250,160)**	**(158,250,160)**
Total comprehensive Income for the year				
Loss for the year	-	-	(52,480,970)	**(52,480,970)**
Other comprehensive income for the year	-	-	(723,175)	**(723,175)**
Total comprehensive income for the year	-	-	(53,204,145)	**(53,204,145)**
Balance as at 31st March 2022	**5,000,000**	**25,000,000**	**(241,454,305)**	**(211,454,305)**
Balance as at 01st April 2022	**5,000,000**	**25,000,000**	**(241,454,305)**	**(211,454,305)**
Total comprehensive Income for the year				
Loss for the year	-	-	(16,128,434)	**(16,128,434)**
Total comprehensive income for the year	-	-	(16,128,434)	**(16,128,434)**
Balance as at 31st March 2023	**5,000,000**	**25,000,000**	**(257,582,739)**	**(227,582,739)**

The notes to the Financial Statements form an integral part of these Financial Statements.
Figures in bracket indicate deductions.

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LUXE ASIA (PVT) LTD
STATEMENT OF CASHFLOWS

For the year ended 31st March,	2023 Rs.	2022 Rs.
Cash flow from operating activities		
Loss before tax	(16,115,865)	(53,012,090)
Adjustments for :		
Depreciation	1,194,822	1,445,759
Amortization	476,310	565,692
Provision for gratuity	(68,469)	-
Impairment Losses	-	2,604,038
Interest Income	(104,743)	-
Interest Expense	2,731,701	12,147,230
Provision for prepayments	-	185,978
(Reversal)/ Provision for Trade debtors	-	(900,964)
Operating loss before working capital changes	**(11,886,244)**	**(36,964,357)**
(Increase) / Decrease in trade and other Receivables	(36,329)	1,045,617
(Increase) / Decrease in advance and prepayments	-	2,100,327
(Increase) / Decrease in amounts due from related parties	(93,000)	
Increase/ (Decrease) in amounts due to related parties	36,934,424	11,303,791
Increase/ (Decrease) in trade and other payables	1,555,715	326,686
Cash used in operations	**26,474,566**	**(22,187,936)**
Gratuity paid	(3,544,658)	-
Interest Paid	(2,670,441)	(12,012,720)
Net cash flows used in operating activities	**20,259,467**	**(34,200,656)**
Cash flows from investing activities		
Interest received	104,743	-
Net cash generated from investing activities	**104,743**	**-**
Cash flows from financing activities		
Loans obtained during the year	1,008,881	40,102,782
Loan repayments during the year	(296,208)	-
Net cash used in financing activities	**712,673**	**40,102,782**
Net decrease in cash and cash equivalents	21,076,884	5,902,126
Cash and cash equivalents at the beginning of the year	(30,494,306)	(36,396,432)
Cash and cash equivalents at the end of the year (Note 19)	**(9,417,422)**	**(30,494,306)**

The Notes to the Financial Statements form an integral part of these Financial Statements.

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1 REPORTING ENTITY

1.1. Domicile and Legal Form

Luxe Asia (Pvt) Ltd ("the Company") is a limited liability Company incorporated on 22 June 2011 and domiciled in Sri Lanka. The registered office of the Company is located at No 327, Union Place, Colombo 02, Sri Lanka and the principal place of business is situated at No 272, Vauxhall Street, Colombo 02.

1.2. Principal Activities and Nature of Operations

The principal activity of the Company is to act as a travel agent and to provide travel related services.

The Company has temporarily ceased business operations from January 2022 due to the prevailing economic conditions and continuing impact of COVID 19 outbreak on Tourism related activities in the country and proposes to restart operations in the future.

1.3. Parent Enterprise and Ultimate Parent Enterprise

Thomas Cook Lanka (Pvt) Ltd became the immediate parent and controlling party of Luxe Asia (Pvt) Ltd since 1st August 2015, after acquiring the Company from Ceylon Hotel Holdings (Pvt) Ltd. The Company's ultimate parent undertaking is Thomas Cook India (Pvt) Ltd.

1.4. Number of Employees

The total number of employees of the Company as at 31 March 2023 was Nil (2022 – Nil)

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company comprise the statement of financial position, statement of profit or loss and other comprehensive income, changes in equity and cash flows together with accounting policies and notes to the Financial Statements.

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLAS) prefixed by both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS), promulgated by the Institute of Chartered Accountants of Sri Lanka.

The financial statements prepared are in compliance with the requirements of the Companies Act, No. 7 of 2007.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently which no adjustments being made for inflationary factors affecting the financial statements, except for the defined benefit liability is recognized as the present value of the defined benefit obligation, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.

2.3 Comparative Figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

2.4 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 Company operates ('the functional currency') and rounded to the nearest rupee value.

These financial statements are presented in Sri Lankan Rupees (Rs.) which is the Company's functional and presentation currency.

2.5 Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with SLAS's requires management to make 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Current taxation (Note 3.2.a)
- Deferred taxation (Note 3.2.b)
- Employee benefits (Note 3.10)
- Provision and contingencies (Note 3.9 and Note 3.11)
- Impairment (Note 3.6)
- Leases (Note 3.7)

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all period presented in these financial statements.

3.1 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign exchange gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities dominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss except the differences arising on retranslation of available for- sale equity instruments, which are recognized in other comprehensive income.

Non-monitory items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.2 Income tax expenses

As per the Sri Lanka Accounting Standards - LKAS 12 on 'Income taxes', tax expense (tax income) is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxes. Income tax expense is recognized in the profit or loss except to the extent it relates to items recognised directly in Equity through Other Comprehensive Income (OCI).

a. Current taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The Company's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 which has become effective from 1 April 2018 and as amended by the IR (Amendment) Act No. 10 of 2021.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 on "Provisions, Contingent Liabilities and Contingent Assets".

Current tax assets and liabilities are offset only if certain criteria are met.

b. Deferred taxation

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:
- temporary differences on 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;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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 substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.
The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity,

ASSETS AND BASES OF THEIR VALUATION

Assets classified as current assets in the Statement of Financial Position are Cash and those, which are expected to be realized in cash during the normal operating cycle of the Company or within one year from the reporting date whichever is shorter. Assets other than current assets are those, which the Company intends to hold beyond a period of one year from the reporting date.

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3.3 Property, plant, and equipment

3.3.1 Recognition and Measurement

a. Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost of self-constructed assets includes the cost of materials and direct labour.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

b. Subsequent cost

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. The cost of replacing part of an item of Property, Plant & 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 carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

c. Depreciation

Depreciation is charged to the profit or loss so as to allocate the cost of assets less their residual value over the estimated useful lives of items of property, plant and equipment, using the straight-line method.

The expected useful lives of the assets categories are as follows.

Office equipment	8 years
Furniture and Fittings	8 years
Motor Vehicle	5 years
Technical Equipment	4 years

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale. (Or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

3.3.2 Impairment of property, plant and equipment

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognized in the income statement unless it reverses a previous revaluation surplus for the same asset.

3.4 Intangible Assets

a. Recognition and measurement

All computer software costs incurred, licensed for use by the Company, which are not integrally related to associate hardware, and can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits are included in the statement of financial position under the category intangible assets and carried at cost less accumulated amortization and accumulated impairment losses if any.

b. Subsequent expenditure

Expenditure incurred on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

c. Amortization

Intangible assets are amortized on a straight-line basis over a period of 4 years from the date when the asset is available for use, over the best estimate of its useful economic life.

3.5 FINANCIAL INSTRUMENTS

3.5.1 Financial assets

Initial Recognition, Classification and Subsequent Measurement

Recognition and initial measurement

Trade receivables and debt securities issued 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 of financial assets

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (Fair value through OCI) - debt investment; FVOCI - equity investment; or FVTPL (Fair value through profit or loss).

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 amortised 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.

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All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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 - Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

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 recognised in profit or loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised 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 recognised in profit or loss. Other net gains and losses are recognised 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 recognised 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 recognised in OCI and are never reclassified to profit or loss

3.5.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other 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 expired.

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: interest bearing borrowings, other payables, amounts due to related parties and bank overdraft.

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Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.5.3 Derecognition

a. Financial assets

The Company derecognises 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 recognised 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 derecognised.

b. Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises 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 recognised 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 recognised in profit or loss.

3.5.4 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.

3.6 Impairment of Assets

3.6.1 Non-derivative financial assets (including receivables)

Financial instruments and contract assets

Loss allowances for trade receivables is always measured at an amount equal to lifetime Expected Credit Loss (ECL).

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.

Measurement of ECLs

ECLs are a profitability 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 an 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 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.

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Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

3.7 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.

3.7.1.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises 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 re-measurements 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 the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- 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 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, if there is a change in the Company's's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option 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.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7.1.2 As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.
If an arrangement contains lease and non-lease components, then the Company applies SLFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from SLFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3.8 Fair Value Measurement

3.8.1 Use of assumptions and estimation uncertainty

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.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee. When measuring the fair value of an asset or a liability, the Company uses observable market 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 fall into 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.

3.8.2 Significant accounting policy

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities on the statement of financial position are those, which fall due for payment on demand or within one year from the reporting date.

Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

3.9 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.

3.10 Employee benefits

3.10.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Employees' Provident Fund

The Company and Employees' contribute 12% & 8% respectively on the salary of each employee is paid. Said provident fund is being managed by the Central Bank of Sri Lanka.

Employees Trust Fund

The Company contributes 3% of each employee's salary to the Employees' Trust Fund.

Defined benefit plans

3.10.2 Retiring Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 – Employee Benefits. The Company measures the present value of retirement benefits of gratuity based on internal assessment using formula. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date.

The liability is not externally funded nor actuarially valued.

Re - measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in other comprehensive income.

3.11 Capital Commitments & Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Capital commitment and contingent liabilities of the Company are disclosed in the respective notes to the financial statements.

3.12 Events after the Reporting date

The materiality of the events after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

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INCOME AND EXPENSES

3.13 Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations 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 SLFRS 15
Providing Travel and Destination Management services for Travelers	The Service is transferred to the customer at the completion of its performance obligation which is the completion of the tour. Departure date - considered to be the industry standard when acting as a principal.	Revenue is recognized when a customer obtains control of the service. Determining the timing of the transfer of control is at a point in time or over time requires judgment.

3.14 Other Income

Other Income is recognized on an accrual basis.

3.15 Expenditure recognition

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income statement in arriving at the profit or loss for the year.

3.16 Finance income and Finance costs

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

3.17 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred except those that are directly attributable to the construction or development of property, plant and equipment which are capitalized as a part of the cost of that asset during the period of construction or development.

3.18 Related Party Transactions

Disclosures has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of a profit being charged.

3.19 Basic Earnings per Share

The financial statements present basic earnings per share (EPS) data for its ordinary shareholders. The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

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4. STATEMENT OF CASH FLOW

The Cash Flow Statement has been prepared using the indirect method of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Cash Flow Statements.

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short-term deposits with banks.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts, if any.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

5.1 Adoption of new accounting standards/ amendments to accounting standards

There was no adoption of new accounting standards/ amendments to accounting standards by Company during the year ended 31 March 2023.

5.2 Standards Issued but Not Yet Effective

The following new accounting standards and amendments/improvements to the existing standards were issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). A number of new standards are effective for annual periods beginning after 1st January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)**

  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. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. There will be no impact on retained earnings on adoption of the amendments.

Other standards

- Classification of Liabilities as Current or Non-current (Amendments to LKAS 1) - effective for annual periods beginning on or after 1 January 2023.
- SLFRS 17 Insurance Contracts and amendments to SLFRS 17 Insurance Contracts - effective for annual periods beginning on or after 1 January 2023.
- Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) - effective for annual periods beginning on or after 1 January 2023.
- Definition of Accounting Estimates (Amendments to LKAS 8) - effective for annual periods beginning on or after 1 January 2023.

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For the year ended 31st March,	2023 Rs.	2022 Rs.
6. Revenue		
Outbound Sales	-	922,569
	-	**922,569**

6.1 The Company's revenue is derived from rendering a wide range of travel services. The revenue from rendering these services is recognized in the profit or loss at the time when the services are provided to the customer. This is generally the tour departure date.

The Company has suspended its business operations from January 2022 due to drop in business in the tourism sector sue to implications of COVID outbreak and economic conditions . The Company has not recommenced operations since then and therefore the Company has not generated revenue during the year.

Timing of revenue recognition		
Departure date at the point in time	-	922,569
	-	**922,569**

7. Cost of sales		
Cost of Service supply	5,076,951	2,697,021
	5,076,951	**2,697,021**

7.1 During the period spanning from January 2016 to March 2020, a dispute arose regarding certain invoices issued by the Cinnamon Group to Company. The Company maintained a recorded payable balance of zero for these invoices, whereas the Cinnamon Group claimed an outstanding amount of Rs. 5,076,951

In April 2022, the matter was resolved, and it was determined that the aforementioned amount was indeed owed to the Cinnamon Group. Consequently, the outstanding balance was paid, and the transaction was recorded under the cost of sales , given that the expense is directly related to the core business activities of the Company.

8. Impairment losses		
Impairment of PPE (Note 13)	-	(2,604,038)
Provision for long outstanding unreaslised deposits (Note 19)	-	(223,163)
	-	**(2,827,201)**

9. Loss from operations		
Loss from operations is stated after charging all the expenses including the following,		
Auditor's remuneration	323,000	325,000
Personal Expenses (Note 9.1)	295,701	22,339,574
Depreciation (Note 13)	1,194,822	1,445,759
Amortization (Note 14)	476,310	565,692
General Expenses (Note 9.2)	931,880	-
Provision for prepayments (Note 17)	-	185,978
Provision (reversal)/charge for trade debtors (Note 16)	-	(900,964)

9.1 Personal Expenses		
Salaries and wages (Note 9.1.1)	131,727	19,736,249
Employees Provident Fund	20,030	2,079,012
Employees Trust Fund	5,007	524,313
Other Allowance	138,937	-
	295,701	**22,339,574**

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9.1.1 The Company ceased its operations on January 2022. As a result, staff costs have been significantly reduced during the period. Staff costs for the current period include salaries paid to one employee for 26 days in April 2022.

9.2 This includes expenditure incurred pursuant to the order of the Assistant Commissioner of Labor to pay Rs. 708,832 to 11 employees of Luxe Asia (Pvt) Ltd. as gratuity surcharge as per Payment of Gratuity Act No 12 of 1983 (as amended) on 24th November 2022.

For the year ended 31st March,	2023 Rs.	2022 Rs.
10. Net finance Expenses		
Finance income		
Exchange (Loss) / Gain	16,894	-
Interest income	104,743	-
	121,637	-
Finance expenses		
Exchange Loss	-	(134,510)
Bank Charges	(24,928)	(210,062)
Interest on loan (Note 10.1)	(61,259)	-
OD interest	(2,670,441)	(12,012,720)
	(2,756,628)	**(12,357,291)**
Net finance Expenses	**(2,634,991)**	**(12,357,291)**

10.1 The accrued interest for current year on the related party loan acquired from Thomas Cook Lanka (Pvt) Limited was reversed due to the write-off of the interest by Thomas Cook Lanka (Pvt) Limited. Please refer to section 22.2.1 for further details."

	2023 Rs.	2022 Rs.
11. Income tax expense		
Current Tax Expenses		
Current tax	12,569	-
Deferred Tax Expense		
(Reversal) / Origination of deferred tax liability (Note 15)	-	(313,783)
(Origination) / reversal of deferred tax asset (Note 15)	-	(217,337)
	-	(531,120)
	12,569	**(531,120)**

	2023 Rs.	2022 Rs.
11.1 Reconciliation between Accounting Profit and Taxable Profit		
Accounting Loss Before Tax	(16,115,865)	(53,012,090)
Disallowable Expenses	5,987,787	2,672,924
Allowable expenses	(5,561,397)	(1,895,102)
Total statutory income from Business	**(15,689,475)**	**(52,234,268)**
Other sources of Income - Investment Income	52,372	-
Tax Loss	**(15,637,103)**	**(52,234,268)**
Income Tax for the year - 24%	-	-
Income Tax for the year - 30%	-	-
Other sources of Income - Investment Income - 24%	12,569	-
Other sources of Income - Investment Income - 30%		-
Total Income Tax Expense for the year	**12,569**	-

11.2 As provided for in LKAS 12 - Income taxes, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the reporting date.

The Inland Revenue (Amended) Act No. 45 of 2022 was passed in the parliament and certified by the speaker on 19 December 2022. Accordingly the standard income tax rate increased from 14% to 30% with effect from 01st October 2022. The increase in income tax rate to 30% in mid year has resulted in two tax rates being applicable for the Year of Assessment 2022/23. The Company has computed the current tax payable on a pro rata basis or Actual basis for the Year of Assessment 2022/23. Accordingly, the new tax rate of 30% has been applied to the last six months .

11.3 Reconciliation of Business tax losses	2023 Rs.	2022 Rs.
Tax Loss Brought Forward	129,954,399	77,720,131
Tax Loss for the Year of Assessment	15,689,475	52,234,268
Tax Loss Carried Forward	**145,643,874**	**129,954,399**

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For the year ended 31st March,	2023 Rs.	2022 Rs.

12. Loss per share

Calculation of loss per share is based on the loss attributable to Ordinary Shareholders divided by the weighted average number of ordinary shares outstanding as at the reporting date.

	2023	2022
Loss for the year (Rs.)	(16,128,434)	(52,480,970)
Weighted average number of ordinary shares	500,000	500,000
Loss per share (Rs.)	**(32.26)**	**(104.96)**

13. Property, plant & equipment

	Motor Vehicles Rs.	Office Equipment Rs.	Technological Equipment Rs.	Furniture and fittings Rs.	Total 2023 Rs.	Total 2022 Rs.
Cost						
Balance as at 1 April	235,990	1,443,439	7,469,986	8,378,281	17,527,696	17,527,696
Balance as at 31 March	**235,990**	**1,443,439**	**7,469,986**	**8,378,281**	**17,527,696**	**17,527,696**
Accumulated Depreciation & Impairment Losses						
Balance as at 1st April	235,990	1,186,424	7,403,688	6,097,556	14,923,658	10,873,861
Charge for the year	-	153,330	66,298	975,193	1,194,822	1,445,759
Impairment charge (Note 8)	-	-	-	-	-	2,604,038
Balance as at 31st March	**235,990**	**1,339,754**	**7,469,986**	**7,072,750**	**16,118,480**	**14,923,658**
Carrying amounts						
Balance as at 31 March 2023	-	**103,685**	-	**1,305,531**	**1,409,216**	
Balance as at 31 March 2022						**2,604,038**

13.1 The Board has carried out an assessment of the recoverable value of Property, plant, and equipment, taking into consideration the status of business operations. Accordingly, no impairment provision was required as at the reporting date (2022: Rs 2,604,038).

As at 31st March,	2023 Rs.	2022 Rs.
14. Intangible assets		
Cost		
Balance as at 1 April	3,057,321	3,057,321
Balance as at 31 March	**3,057,321**	**3,057,321**
Amortization		
Balance as at 1 April	2,557,606	1,991,914
Charge for the year	476,310	565,692
Balance as at 31 March	**3,033,916**	**2,557,606**
Carrying value as at 31 March	23,405	499,715

14.1 The Board has assessed the potential impairment indicators of Intangible Assets as at the reporting date and no impairment indicators were identified.

15. Deferred Taxation

	2023	2022
Deferred Tax Liabilities (Note 15.1)	-	-
Deferred Tax Assets (Note 15.2)	-	-
	-	-
15.1 Deferred Tax Liabilities		
Balance as at 1 April	-	(313,783)
Reversal during the year recognized in profit or loss	-	313,783
Balance as at March 31	-	-
15.2 Deferred Tax Assets		
Balance as at 1 April	-	505,838
Origination / (Reversal) during the year recognized in profit or loss	-	217,337
(Reversal) / Origination during the year recognized in Other Comprehensive Income	-	(723,175)
Balance as at March 31	-	-

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As at 31st March,

15. Deferred Taxation (Cont.)

15.3 As given in Note 1.2, the Company has temporarily ceased business operations from January 2022. Considering the brought forward tax losses and the status of the current business operations, no deferred tax asset has been recognized on the Tax losses.

15.4 As explained in Note 13.1, the 50% carrying value of PPE has been impaired due to uncertainty on the date to re-commence of business operations in the previous financial year. No temporary difference has been recognized.

15.5 As at the reporting date the temporary difference arising from tax losses was Rs 142,837,342/- (2022: Rs 129,954,399/-) resulting in deferred tax assets of Rs 42,851,202/- (2022: Rs. 18,193,616/-). However, deferred tax asset has not been recognized against this carried forward tax losses due to the uncertainty regarding the availability of future taxable profits against which the deferred tax asset could be utilized.

16 Trade and Other Receivables	**2023 Rs.**	**2022 Rs.**
Trade receivables (Note 16.1)	-	-
Other receivables (Note 16.2)	36,329	-
	36,329	-

16.1 Provision for Trade Receivables

Opening balance as at 1 April	-	900,964
(Reversal) / Provision charge during the year (Note 9)	-	(900,964)
Closing balance as at 31 March	-	-

16.1.1 During the previous year, the Company has reversed a provision for trade receivables.

16.2 Other Receivable includes accrued interest income for short-term investment.

17. Advance and prepayments

Prepayments	-	185,978
	-	**185,978**
Provision during the year (Note 9)	-	(185,978)
	-	-

17.1 During the impairment assessment carried out by the Board of Directors, as the prepayments were not considered to be recoverable, full provision has been made in previous year.

18. Amount due from related party

Sita World Travel Lanka (Pvt) Limited	93,000	-
	93,000	-

Increase in amount due from related party due to secretarial fees for Sita World Travel Lanka (Pvt) Limited incurred on behalf on the Company during the year amounting to Rs. 93,000/-. Although there is uncertainty over recoverability, the said amount can be set off against the Amount Payable to Sita World Travel Lanka (Pvt) Limited . Refer Note 22.

19. Cash and cash equivalents

Cash in hand	18,220	100,000
Cash at bank	1,090,987	877,752
Provision for long outstanding unrealised deposits (Note 8)	-	(223,163)
Reversal of long outstanding unpresented cheques	-	4,141,770
	1,109,207	**4,896,359**
Bank overdraft	(10,526,629)	(35,390,664)
Cash & cash equivalents for the purpose of statement of cash flow	**(9,417,422)**	**(30,494,306)**

20. Stated capital

Issued and fully paid		
500,000 ordinary shares	**5,000,000**	**5,000,000**

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As at 31st March,	2023 Rs.	2022 Rs.

21. Employee benefits

21.1 Defined contribution plans

Following contributions have been made to Employees' Provident Fund and Employees' Trust Fund during the year.

	2023 Rs.	2022 Rs.
Employees' provident fund		
Employers' contribution	20,030	2,079,012
Employees' contribution	13,433	1,184,675
Employees' trust fund	5,007	524,313

21.2 Defined benefit plan

	2023 Rs.	2022 Rs.
Balance as at 1 April	3,613,127	3,613,127
Provision recognized during the year in profit or loss (Note 21.3)	(68,469)	-
	3,544,658	**3,613,127**
Payments made during the year	(3,544,658)	-
Balance as at 31 March	-	**3,613,127**

21.3 Provision recognized in profit or loss

	2023 Rs.	2022 Rs.
Current service cost (Note 21.3.1)	(68,469)	-
	(68,469)	-

21.3.1 As per Note 1.2, the Company has temporarily ceased business operations. Currently, no employees are working for the Company. During the year all outstanding liabilities associated with the defined benefit plan have been settled in full, amounting to Rs. 3,544,658.

Following the settlement of all commitments pertaining to the defined benefit plans, the remaining liability has been reversed and reflected in the Statement of Profit or Loss and Other Comprehensive Income. since all obligations associated with the defined benefit plan have been fully discharged.

22. Amount due to related party

	2023 Rs.	2022 Rs.
Thomas Cook Lanka (Private) Limited (Note 22.1)	125,748,320	88,813,895
Sita World Travel Lanka (Pvt) Limited (Note 22.2)	13,570,000	13,570,000
	139,318,320	**102,383,895**

22.1 Amount due to Thomas Cook Lanka (Private) Limited

	2023 Rs.	2022 Rs.
Loans due to Thomas Cook Lanka (Private) Limited (Note 22.1.1)	111,649,416	74,714,991
Other Balances (Note 22.1.2)	14,098,904	14,098,904
	125,748,320	**88,813,895**

22.1.1 Movement of the loan payable to Thomas Cook Lanka (Private) Limited

	2023 Rs.	2022 Rs.
Opening balance as at 1 April	74,714,991	30,326,932
Loans obtained during the year	36,934,425	37,725,722
Interest on loan	12,574,832	6,662,337
Write back of Interst on Loan (Note 22.1.1.1)	(12,574,832)	-
Closing balance as at 31 March	**111,649,416**	**74,714,991**

22.1.1.1 Since The Company has suspended operations since January 2022, the Board of Thomas Cook Lanka (Private) Limited has taken a decision to write off interest on loan given to the Company. The said Board confirmation was dated 02 August 2023. Accordingly, accrued interst on loan payable to Thomas Cook Lanka was reversed.

22.1.2 Other balances due to Thomas Cook Lanka (Private) Limited is mainly made up of Group Resource Cost (GRC) which was invoiced by Thomas Cook India Limited in total to Thomas Cook Lanka (Private) Limited and an amount of 50% of the aforesaid invoice was allocated to Luxe Asia by Thomas Cook Lanka (Private) Limited for the services received. From current financial year since Company has ceased its operations Thomas Cook Lanka (Private) Limited has not allocated any Group resource cost to Luxe Asia in current year.

As at 31st March,	2023 Rs.	2022 Rs.

22. Amount due to related party (Cont.)

22.2 Movement of the loan payable to Sitha World Travel Lanka (Private) Limited

	2023 Rs.	2022 Rs.
Opening balance as at 1 April	13,570,000	13,570,000
Closing balance as at 31 March	**13,570,000**	**13,570,000**

23. Loans and Borrowings

	2023 Rs.	2022 Rs.
Balance at the beginning of the year	2,377,060	-
Loans obtained during the year (Note 23.1)	1,008,881	2,377,060
Interest expense for the year	61,259	-
Repayment made during the year	(296,208)	-
Balance at the end of the year	**3,150,993**	**2,377,060**
Payable within one year	3,150,993	2,377,060
Payable after one year	-	-
	3,150,993	**2,377,060**

Loans and Borrowings consisits bank loans obtained from Cargils Bank PLC.

23.1 As per the CBSL moratorium D10 company has agreed with Cargils Bank PLC to convert the Overdraft interest to a term loan. Accordingly, the Overdraft interst from May 2022 to December 2022 was converted to a term loan during the year.

24. Trade and other payables

	2023 Rs.	2022 Rs.
Trade payables	9,390,631	9,388,635
Advances received from customers (Note 24.1)	64,323,590	64,323,590
Other payable	3,898,504	2,344,833
	77,612,773	**76,057,058**

24.1 In 2021, Rs. 62,968,048/- has been received as advances from customers for future tours. However, due to the COVID-19 pandemic, the tours were not completed as at 31 March 2021 and hence it was recognised as a liability under Other payables. This balance was Rs. 64,323,590 as at 31 March 2023.

25. Current taxation

	2023 Rs.	2022 Rs.
Balance at the beginning of the year	132,612	132,612
Provision for the year	12,569	-
Balance at the end of the year	**145,181**	**132,612**

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26. Related party transactions

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - *Related Party Disclosures* . The details of which are given below.

a) Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard 24 - Related Party Disclosures, the Key Management Personnel (KMP) are those having authority and responsibility for planning, directing, and controlling the activities of the entity. Accordingly, the Directors of the Company have been classified as KMP of the Company.

The Board of Directors of Thomas Cook Lanka (Pvt) Ltd and Thomas Cook (India) Limited, being the parent and ultimate parent company, have also been classified as KMP as they have the authority and responsibility for planning, directing and controlling the activities of the entity directly and indirectly.

Key management personnel compensation	2023 Rs	2022 Rs
Short Term Benefits	Nil	Nil
Post Employee Benefits	Nil	Nil

For the year ended 31st March 2023

26. Related party transactions (Cont.)

b) Transactions with Related Entities

Name of the Related Party	Relationship	Nature of Transaction	Transaction 2023	Transaction 2022
Thomas Cook Lanka (Pvt) Ltd	Parent	Expenses	-	11,403,135
		Loans granted	36,934,425	37,725,722
		Interst on Loan Granted	12,574,832	
		Write Back on interst on Loan Granted	12,574,832	
Sita World Travel Lanka (Pvt) Ltd	Subsidiary of Ultimate Parent Company	Loan settlement	-	(230,000)
		Expenses	(93,000)	-

The Parent Company, Thomas Cook India Limited has provided a comfort letter dated 02 August 2023, confirming their intention to continue to provide financial and other support necessary for Luxe Asia (Pvt) Ltd to continue in business operations and meet its liabilities in the foreseeable future.

Amounts due to related entities as at reporting date are disclosed in the Note 22 to the Financials Statements respectively.

27. Fair Values of Financial Instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2023		2022	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Financial Assets				
Short term investments	500,000	500,000	500,000	500,000
Cash and cash equivalents	1,109,207	1,109,207	4,896,359	4,896,359
	1,645,537	**1,645,537**	**5,396,359**	**5,396,359**
Financial Liabilities				
Trade and other payables	77,612,773	77,612,773	76,057,058	76,057,058
Amount due to related party	139,318,320	139,318,320	102,383,895	102,383,895
Bank overdraft	10,526,629	10,526,629	35,390,664	35,390,664
	227,457,722	**227,457,722**	**213,831,617**	**213,831,617**

The methods and assumptions used to estimate the fair values of the financial instruments are as follows:

a) Cash and cash equivalents – The carrying amount of cash and cash equivalents approximate its fair value due to the relatively short maturity of the financial instruments.

b) Trade and other receivables/ Trade and other payables - The carrying amount of these financial assets and liabilities approximate its fair value due to the relatively short maturity of the financial instruments.

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28. Financial risk management

28.1 Introduction and Overview

The Company has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational 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 throughout this financial statement.

28.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks 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. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

28.3 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 receivables from customers and investment securities.

28.3.1. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows;

As at 31st March	**2023**	**2022**
	Rs.	**Rs.**
Short Term Investments	500,000	500,000
Cash and cash equivalents	1,109,207	4,896,359
	1,645,537	**5,396,359**

28.4 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. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

28.4.1. Currency risk

'Currency risk' a form of risk that arises from the change in price of one currency against another. The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Company. The company has not invested nor borrowed in foreign currencies. The company does not use any derivative financial instruments to hedge the risk. The currency risk attached to financial statements is minimal as it represents local currency.

For the year ended 31st March 2023,

28. Financial risk management (Cont.)

28.4 Market risk (Cont.)

The following significant exchange rates were applied during the year:

As at 31 March,

	Average rate		Reporting date spot rate	
	2023	**2022**	**2023**	**2022**
USD	355.54	205.48	327.29	299.00
EURO	370.29	238.43	357.10	334.03

28.4.2. Interest rate risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

28.5 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 encounter the liquidity risk mainly due to its trade payables. However, Company's exposure to liquidity risk is very limited as current assets and liquid assets are much greater than its total liabilities.

31 March 2023,	Carrying amount	6 months or less	6-12 months	More than 1 year
Trade and other payables	77,612,773	77,612,773	-	-
Amounts due to related party	139,318,320	-	-	139,318,320
Bank OD	10,526,629	10,526,629	-	-
Total current liabilities	**227,457,722**	**88,139,402**	-	**139,318,320**
Total liabilities	**227,457,722**	**88,139,402**	-	**139,318,320**

31 March 2022,	Carrying amount	6 months or less	6-12 months	More than 1 year
Trade and other payables	76,057,058	76,057,058	-	-
Amounts due to related party	102,383,896	-	-	102,383,896
Bank OD	35,390,664	35,390,664	-	-
Total current liabilities	**213,831,618**	**111,447,722**	-	**102,383,896**
Total liabilities	**213,831,618**	**111,447,722**	-	**102,383,896**

28.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for the reconciliation and monitoring of transactions.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance when this is effective.

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For the year ended 31st March 2023,

29. Events occurred after the reporting date

No circumstances has arisen since the reporting date which would require adjustments to or disclosure in the financial statements.

30. Capital commitments and contingent liabilities

There were no contract for capital expenditure of material amounts approved or contracted for as at the reporting date. There have been no material contingent liabilities outstanding as at the reporting date.

31. Litigation and claim

The following cases have been filed against the Company or claims have been made in reconvention. No provision is made in the financial statements.

- The Company is one of the Respondents in a Labour Tribunal Litigation regarding Termination and Reinstatement with back wages of a Director Mr. Chaminda Dias, the Applicant in Case No. 08/400/2020 at held at District Labour Office, Colombo South of Department of Labour. Still the inquiry is in proceed and lead some evidence from the said parties. Next hearing date fix on 27 June 2023. The applicant prays for Reinstatement with full back wages or in the alternative and an additional compensation from the said matter.
- The Company is the Applicant in a Labour Tribunal Litigation regarding Termination and Reinstatement with back wages of seven employees, held in Department of Labour - Termination Unit under bearing reference No. TEU/C/94/2020, on 07th February 2022, The Commissioner General of Labour held that the termination of employment of the 7 employees is bad in law and ordered the Company to pay a sum of Rs. 3,765,684 as compensation to said employees named I) Randika Tharmasiri Dissanayake ii) Nivanthika Lakmali iii) Roshen Mary Shilanka Dias iv) Nipunika Shirunki Fernando v) Arshak Akeel Irfaan vi) Suraj Kanishka Fernando and vii). Mohomed Shakir Hussain Zameena Farveen. Therefore, on 02nd March 2022 the Company has challenged the aforesaid impugned order before the Court of Appeal under bearing Case No. Writ Appeal 94/2022 and next hearing date fix on 13 September 2023.
- The Company is the Applicant in a Labour Tribunal Litigation regarding Termination and Reinstatement with back wages of Nineteen employees, held in Department of Labour - Termination Unit under bearing reference No. TEU/14/2021 on 31st December 2021, the matter was disposed by the Department of Labour. While the Authority, allowed the Application of the Company to terminate the services of 19 employees stating the Company's business operation cease to exist, however, the Department made an erroneous Order directing the Company to pay a sum of Rs. 20,249,098 as compensation in complete disregard to the financial status and the continued losses suffered by the Company occasioned by the Covid 19 pandemic. Therefore on 02nd March 2022, the Company has challenged the aforesaid impugned Order before the Court of Appeal under bearing Case No. Writ Appeal 95/2022 and the date of hearing will be 13 September 2023.

  Luxe Asia (Private) Limited is the Applicant in a Labor Tribunal Litigation regarding Salary deductions where ex-employees of Luxe Asia (Private) Limited complain against Luxe Asia (Private) Limited . held in the Department of Labor - Commissioner General of Labor under bearing reference No. CS/COA/0/0 1 /63/22. On 16 March 2023, the Assistant Commissioner of Labor ordered to repay all the salary deductions made for the period complaints including salary deduction made with the consent of employees. Against this order Luxe Asia (Private) Limited requests to meet the Commissioner General of Labor and still awaiting for response.

32. Comparative Information

The presentation and classification of following items in these Financial Statements are rearranged to ensure comparability with the current year information.

As at 31st March 2022,

As presented in the Statement of Financial Position	After Rearrangement	Amount Rearranged	Prior to Rearrangement
Loans and Borrowings	2,377,060	2,377,060	-
Trade and other payables	76,057,058	(2,377,060)	78,434,118

There is a reclassification adjustment in the SOFP for the Bank Loan Obtained that had been accounted under Trade and Other Payables. This had been reclassified to Loans and Borrowings in current year financial statements and the comparative figure too was reclassified as shown above for better comparability of the financials (Note 22 and Note 23).

For the year ended 31st March 2023,

33. Going concern

The Company has incurred a net loss of Rs. 16,128,434/- for the year ended 31 March 2023 (2022 - Rs. 52,480,970/-), and as of that date the Company's accumulated loss was Rs. 257,582,739/- (2022 - Rs. 241,454,305/-). Further the Company's current liabilities exceeded the current assets by Rs. 89,697,040/- (2022 - Rs. 106,183,975/-) and its total liabilities exceeded its total assets by Rs. 227,582,739/- (2022 - Rs.211,454,305/-). The Company is also facing a serious loss of capital situation under Sec 220 of the Companies Act No.07 of 2007. The Company has temporarily ceased business operations due to the prevailing economic conditions and continuing impact of COVID 19 outbreak on Tourism related activities in the country. The parent company, Thomas Cook India Limited, has given a letter of comfort dated 02 August 2023 confirming that they will be providing the support and assistant as may be required to ensure that the Company is able to enable the Company to meet its obligations as and when they fall due and payable for a period of at least 12 months from the date of signing these financial statements

Although these conditions indicate the existence of material uncertainty and cast significant doubt on the Company's ability to continue as a going concern, based on the mitigating actions and the letter of support dated 02 August 2023 given by the immediate Parent Thomas Cook India Limited undertaking to provide financial assistance to the Company to ensure that it can pay its debts as and when they fall due and payable, the Board of Directors has assessed that there is no uncertainty regarding the settlements of external liabilities during the next 12 months from the date of authorizing these financial statements.

Accordingly, the Board of Directors has a reasonable confidence level that the Company has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate.

34. Board of Director's responsibility for financial reporting

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and the Companies Act No. 7 of 2007.

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SITA WORLD TRAVEL LANKA
(PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

KPMG
(Chartered Accountants)
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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SITA WORLD TRAVEL LANKA (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sita World Travel Lanka (Private) Limited ("the Company"), which comprise the statement of financial position as at 31 March 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 page 3 to 26.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). 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 Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. 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 25 to the financial statements, which indicates that the Company incurred a net loss of Rs. Rs. 455,391/- during the year ended 31 March 2023. and, as of that date, the Company has accumulated losses of Rs. Rs. 45,737,950 and the Company's total liabilities exceed the current assets by Rs. 137,712 and negative equity of Rs. 137,712. Further, as at the reporting date, the Company's net assets are less than half of the stated- capital and faces a serious loss of capital situation. Further, the Company had ceased business operations from October 2018. Accordingly, the Company has not generated revenue in relation to commercial operations and remained dormant as at reporting date.

Even though these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, the management has decided to continue with the Company due to matters relating to Trademark. The Board of directors are of the view that the Company will continue as a going concern legal entity. Accordingly, these financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

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Other Information

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. Management is responsible for the other information. These financial statements do not comprise other information.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka 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.

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 SLAuSs 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: http://slaasc.com/auditing/auditorsresponsibility.php. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

Further, it should be noted that the Company's net assets are lesser than half of its stated capital and the Company faces a serious loss of capital situation in terms of section 220 of the same act.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
18 July 2023

SITA WORLD TRAVEL LANKA (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2023	Note	2023 Rs.	2022 Rs.
Revenue	6	-	-
Cost of Sales		-	-
Gross Profit		-	-
Administrative Expenses		(455,391)	(7,062,601)
Loss from Operations	7	**(455,391)**	**(7,062,601)**
Net Finance Income	8	-	317
Loss Before Tax		**(455,391)**	**(7,062,284)**
Income Tax Reversal/(Expense)	9	-	-
Loss for the year		**(455,391)**	**(7,062,284)**
Other comprehensive Income		-	-
Total comprehensive income for the year		**(455,391)**	**(7,062,284)**
Loss per share	10	**(1.82)**	**(28.25)**

The notes to the Financial Statements form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

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SITA WORLD TRAVEL LANKA (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,	Note	2023 Rs.	2022 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	11	-	10,047
Intangible Assets	12	-	29,601
Total Non-Current Assets		-	39,648
Current Assets			
Other Receivables	13	519,073	519,073
Amounts due from related parties	14	-	-
Cash and Cash Equivalents	15	50,302	3,341
Total Current Assets		569,375	522,414
TOTAL ASSETS		569,375	562,062
EQUITY AND LIABILITIES			
Stated Capital	16	2,500,000	2,500,000
Preference Shares		43,100,238	43,100,238
Accumulated Losses		(45,737,950)	(45,282,559)
Total Equity		(137,712)	317,679
Current Laiabilities			
Other Payables	18	252,300	167,300
Amounts due to related parties	19	389,995	-
Current Taxation		64,792	64,792
Bank Overdraft	15	-	12,291
Total Current Liabilities		707,087	244,383
TOTAL LIABILITIES		707,087	244,383
TOTAL EQUITY AND LIABILITIES		569,375	562,062

The annexed notes to the Financial Statements form an integral part of these Financial Statements.
It is Certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Mr. Shaju Nair A
Head - Foreign Exchange

The Board Directors are responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board,

Mr. Debasis Nandy
Director

Mr. Aravinda De Silva
Director

18 July 2023
Colombo

KPMG Chartered Accountants

True copy
Sita World Travel Lanka (Pvt) Ltd.

Authorised Signatory

SITA WORLD TRAVEL LANKA (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,	Note	2023 Rs.	2022 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	11	-	10,047
Intangible Assets	12	-	29,601
Total Non-Current Assets		-	**39,648**
Current Assets			
Other Receivables	13	519,073	519,073
Amounts due from related parties	14	-	-
Cash and Cash Equivalents	15	50,302	3,341
Total Current Assets		**569,375**	**522,414**
TOTAL ASSETS		**569,375**	**562,062**
EQUITY AND LIABILITIES			
Stated Capital	16	2,500,000	2,500,000
Preference Shares		43,100,238	43,100,238
Accumulated Losses		(45,737,950)	(45,282,559)
Total Equity		**(137,712)**	**317,679**
Current Laiabilities			
Other Payables	18	252,300	167,300
Amounts due to related parties	19	389,995	-
Current Taxation		64,792	64,792
Bank Overdraft	15	-	12,291
Total Current Liabilities		**707,087**	**244,383**
TOTAL LIABILITIES		**707,087**	**244,383**
TOTAL EQUITY AND LIABILITIES		**569,375**	**562,062**

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....
Mr. Shaju Nair A
Head - Foreign Exchange

The Board Directors are responsible for the preparation and presentation of these Financial Statements

Approved and signed for and on behalf of the Board;

....
Mr. Debasis Nandy
Director

....
Mr. Aravinda De Silva
Director

18 July 2023
Colombo.

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SITA WORLD TRAVEL LANKA (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2023	Stated Capital	Preference Shares	Accumulated Loss	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2021	**2,500,000**	**43,100,238**	**(38,220,275)**	**7,379,963**
Total comprehensive income for the year				
Loss for the year	-	-	(7,062,284)	(7,062,284)
Other comprehensive income for the year	-	-	-	-
Balance as at 31st March 2022	**2,500,000**	**43,100,238**	**(45,282,559)**	**317,679**
Balance as at 01st April 2022	**2,500,000**	**43,100,238**	**(45,282,559)**	**317,679**
Total comprehensive income for the year				
Loss for the year	-	-	(455,391)	(455,391)
Other comprehensive income for the year	-	-	-	-
Balance as at 31st March 2023	**2,500,000**	**43,100,238**	**(45,737,950)**	**(137,712)**

The notes to the Financial Statements form an integral part of these Financial Statements.
Figures in bracket indicate deductions.

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SITA WORLD TRAVEL LANKA (PRIVATE) LIMITED
STATEMENT OF CASHFLOWS

For the year ended 31 March,	2023 Rs.	2022 Rs.
Cash flows from operating activities		
Loss Before Tax	(455,391)	(7,062,284)
Adjustment for:		
Depreciation charge for Property, Plant and Equipment	10,047	138,965
Provision Made Against Loan Receivable from RPT	-	6,645,000
Amortisation of Intangible Assets	29,601	36,110
Net finance cost	-	(317)
Operating (Profit)/Loss before Working Capital Changes	**(415,741)**	**(242,526)**
Adjustment for working capital changes:		
Increase in Other Receivables	-	-
Increase in Other Payables	85,000	(20,000)
Increase in amounts due to related parties	389,994	-
Cash generated/ (Used in) operating activities	**474,994**	**(20,000)**
Net cash used in from operating activities	**59,252**	**(262,526)**
Cash flows from investing activities		
Interest received	-	317
Loan granted	-	-
Settlement received during the year	-	230,000
Net cash generated in investing activities	**-**	**230,317**
Net Cash used in Financing activities	**-**	**-**
Net Increase / Decresae in cash and cash equivalents	**59,252**	**(32,209)**
Cash and cash equivalents as at beginning of the year	(8,950)	23,259
Cash and cash equivalents as at end of the year (Note 15)	**50,302**	**(8,950)**

The notes to the Financial Statements form an integral part of these Financial Statements.
Figures in bracket indicate deductions.

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1 REPORTING ENTITY

1.1 Domicile and Legal Form

Sita World Travel Lanka (Private) Limited ("the Company"), is a private company with limited liability incorporated and domiciled in Sri Lanka. The registered office of the Company is located at 118C, Barnes Place, Colombo 07, Sri Lanka, from where the principle business is carried out.

1.2 Principal Activities and Nature of Operations

The Principal activity of the Company is being a Travel Agent.

The Company ceased business operations from October 2018 and continues to remain dormant.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The immediate and ultimate parent company is Travel Corporation India Limited and Fairfax Financial Holdings Ltd, Canada respectively.

1.4 Number of Employees

The total number of employees of the Company as at 31st March 2023 was Nil (2022 – Nil).

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company comprise the statement of financial position, statement of profit or loss and other comprehensive income, changes in equity and cash flows together with accounting policies and notes to the Financial Statements.

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLAS) prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS), promulgated by the Institute of Chartered Accountants of Sri Lanka.

The financial statements prepared are in compliance with the requirements of Companies Act, No. 7 of 2007.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently which no adjustments being made for inflationary factors affecting the financial statements, except for the defined benefit liability is recognized as the present value of the defined benefit obligation, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.

2.3 Comparative Figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

2.4 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 Company operates ('the functional currency') and rounded to the nearest rupee value.

These financial statements are presented in Sri Lankan Rupees (Rs.) which is the Company's functional and presentation currency.

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2.5 Use of estimates and judgments

The preparation of the Financial Statements in conformity with SLAS's requires management to make 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Current taxation (Note 3.2.a)
- Deferred taxation (Note 3.2.b)
- Impairment of assets (Note 3.6)
- Employee benefits (Note 3.9)
- Provisions and contingencies (Note 3.10 and Note 3.11)

2.6 Materiality and Aggression

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.7 Events occurring after the Reporting date

The materiality of the events occurring after the reporting date have been considered and appropriate adjustments to or disclosure have been made in the financial statements where necessary.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated.

3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the date of statement of financial position are translated to Sri Lankan Rupees at the foreign exchange rate ruling at that date. Foreign exchange gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities dominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss except the differences arising on retranslation of Fair Value through OCI equity instruments, which are recognized in other comprehensive income.

Non-monitory items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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3.2 Income Tax Expense

As per the Sri Lanka Accounting Standards - LKAS 12 on 'Income taxes', tax expense (tax income) is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxes. Income tax expense is recognized in the profit or loss except to the extent it relates to items recognised directly in Equity through Other Comprehensive Income (OCI).

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

a) Current Taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The Company's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 which has become effective from 1 April 2018 and as amended by the IR (Amendment) Act No. 10 of 2021.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 on "Provisions, Contingent Liabilities and Contingent Assets".

Current tax assets and liabilities are offset only if certain criteria are met.

b) Deferred Taxation

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:

- temporary differences on 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;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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 substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

ASSETS AND BASES OF THEIR VALUATION

Assets classified as current assets in the Statement of Financial Position are Cash and those, which are expected to be realized in cash during the normal operating cycle of the Company or within one year from the reporting date whichever is shorter. Assets other than current assets are those, which the Company intends to hold beyond a period of one year from the reporting date.

3.3 Property, Plant and Equipment

a) Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost of self-constructed assets includes the cost of materials and direct labour.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

b) Subsequent costs

The Company adds to the carrying amount of an item of property, plant and equipment, the cost of replacing parts of such an item, when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

c) Depreciation

Depreciation is charged to the profit or loss so as to allocate the cost of assets less their residual value over the estimated useful lives of items of property, plant and equipment, using the straight-line method. Estimated useful lives of assets are as follows:

	Useful Lifetime
Office Equipment	3 Years
Computer Hardware (PC Screen)	5 Years
Computer Hardware- (Computer Equipment)	3 years
Furniture & Fixtures	5 years
Furniture & Fixtures (Improvement)	3 Years
Motor Vehicles	5 Years

Depreciation is commenced from the date the asset is brought into use.

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d) Impairment of Property, Plant and Equipment

The carrying value of property plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognized in the statement of comprehensive income unless it reverses a previous revaluation surplus for the same asset.

3.4 Intangible Assets

a) Recognition and measurement

All computer software costs incurred, licensed for use by the Company, which are not integrally related to associate hardware, and can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits are included in the statement of financial position under the category intangible assets and carried at cost less accumulated amortization and accumulated impairment losses if any.

b) Subsequent expenditure

Expenditure incurred on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

c) Amortization

Intangible assets are amortized on a straight-line basis over a period of 5 years from the date when the asset is available for use, over the best estimate of its useful economic life.

3.5 FINANCIAL INSTRUMENTS

3.5.1 Financial assets

Initial Recognition, Classification and Subsequent Measurement

Recognition and initial measurement

Trade receivables and debt securities issued 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 of financial assets

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (Fair value through OCI) - debt investment; FVOCI - equity investment; or FVTPL (Fair value through profit or loss).

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 amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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-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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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 - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

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

	profit or loss. Other net gains and losses are recognised 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 recognised 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 recognised in OCI and are never reclassified to profit or loss.

3.5.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other 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 expired.

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: interest bearing borrowings, other payables, amounts due to related parties and bank overdraft.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.5.3 Derecognition

a) Financial assets

The Company derecognises 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 recognised 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 derecognised.

b) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises 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 recognised 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 recognised in profit or loss.

3.5.4 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.

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3.6 Impairment of Assets

3.6.1 Non-derivative financial assets

Financial instruments and contract assets

Loss allowances for trade receivables is always measured at an amount equal to lifetime Expected Credit Loss (ECL).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.

Credit-impaired financial assets

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.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

3.7 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.

3.7.1.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises 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 re-measurements 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.

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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 the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- 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 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, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option 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.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7.1.2 As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Company applies SLFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from SLFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3.8 Fair Value Measurement

3.8.1 Significant accounting policy

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.8.2 Use of assumptions and estimation uncertainty

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.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee. When measuring the fair value of an asset or a liability, the Company uses observable market 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 fall into 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.

LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities on the statement of financial position are those, which fall due for payment on demand or within one year from the reporting date.Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

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.

3.9 Employee Benefits

a) Defined Contribution Plan - Employees' Provident Fund & Employees' Trust Fund
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Employees' Provident Fund

The Company and Employees' contribute 12% & 8% respectively on the salary of each employee is paid. Said provident fund is being managed by the Central Bank of Sri Lanka.

Employees Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund.

b) Defined Benefit Plans – Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.
Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 – Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The Company measures the present value of retirement benefits of gratuity using an internally generated model based on formula. Actuarial gains and losses are recognized in other comprehensive income.

The liability recognized in the Statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. The liability is not externally funded nor actuarially valued.

Actuarial gains and losses.

The re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in Other Comprehensive Income.

3.10 Provisions and liabilities

A provision is recognized in the statement of financial position only when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

3.11 Contingencies and Capital Commitments

All material capital commitments and contingencies, which exist as at the reporting date, are disclosed in the respective notes to the Financial Statements.

INCOME AND EXPENSES

3.12 Revenue Recognition

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations 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 SLFRS 15
Providing Travel and Destination Management services for Travelers.	The Service is transferred to the customer at the completion of its performance obligation which is the completion of the tour.	Revenue is recognized when a customer obtains control of the service. Determining the timing of the transfer of control is at a point in time or over time requires judgment.

3.13 Expenditure Recognition

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income statement in arriving at the profit or loss for the year.

3.14 Finance income and expenses

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

3.15 Related Party Transactions

Disclosures has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of a profit being charged

4. STATEMENT OF CASH FLOWS

The Statement of Cash Flows has been prepared using the Indirect Method of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Statement of Cash Flows.

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short-term deposits with banks.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

5.1 Adoption of new accounting standards/ amendments to accounting standards

There was no adoption of new accounting standards/ amendments to accounting standards by Company during the year ended 31 March 2023.

5.2 Standards Issued but Not Yet Effective

The following new accounting standards and amendments/improvements to the existing standards were issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). A number of new standards are effective for annual periods beginning after 1st January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)**

  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. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. There will be no impact on retained earnings on adoption of the amendments.

Other standards

- Classification of Liabilities as Current or Non-current (Amendments to LKAS 1) - effective for annual periods beginning on or after 1 January 2023.
- SLFRS 17 Insurance Contracts and amendments to SLFRS 17 Insurance Contracts - effective for annual periods beginning on or after 1 January 2023.
- Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) - effective for annual periods beginning on or after 1 January 2023.
- Definition of Accounting Estimates (Amendments to LKAS 8) - effective for annual periods beginning on or after 1 January 2023.

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For the year ended 31 March,	2023 Rs.	2022 Rs.
6. Revenue		
Inbound	-	-

6.1 The Company has ceased its business operations from October 2018 and continues to remain dormant . Therefore the Company has not generated revenue during the year.

7. Loss from Operations

	2023 Rs.	2022 Rs.
Loss from operations is stated after charging all the expenses including the following,		
Director Emoluments	-	-
Auditor's Remuneration	204,995	125,000
Depreciation of Property, Plant and Equipment (Note 11)	10,047	138,965
Amortization of Intangible Assets (Note 12)	29,601	36,110
Provision for Loan receivable (Note 14.1)	-	6,645,000
Legal & Professional Charges	175,000	126,500

8. Net finance Income

	2023 Rs.	2022 Rs.
Finance income		
Interest income	-	64
Exchange gain	-	260
	-	**324**
Finance expense		
Exchange loss	-	7
	-	7
Net Finance Income	-	**317**

9. Current Tax Expenses

	2023 Rs.	2022 Rs.
Current tax	-	-
Deferred Tax Expense		
(Reversal)of deferred tax liability (Note 17)	(1,407)	(19,455)
Reversal/ (Origination) of deferred tax asset (Note 17)	1,407	19,455
	-	-

9.1 Reconciliation between Accounting Profit and Taxable Profit

	2023 Rs.	2022 Rs.
Accounting Loss Before Tax	(455,391)	(7,062,284)
Disallowable Expenses	-	-
Allowable expenses	-	-
Other Income	-	-
Expenses not incurred in the production of income	455,391	7,062,284
Taxable Profit / (Loss)	-	-
Income Tax for the year - 30% of taxable income	-	-
Income Tax for the year - 14% of taxable income (2022)	-	-

9.2 Impact due to corporate income tax rate change

As provided for in LKAS 12 - Income taxes, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the reporting date.

The Inland Revenue (Amended) Act No. 45 of 2022 was passed in the parliament and certified by the speaker on 19 December 2022. Accordinly the standard income tax rate increased from 14% to 30% with effect from 01st October 2022. The increase in income tax rate to 30% in mid year has resulted in two tax rates being applicable for the Year of Assessment 2022/23. The Company has computed the current tax payable on a pro rata basis or Actual basis for the Year of Assessment 2022/23. Accordingly, the new tax rate of 30% has been applied to the last six months .

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For the year ended 31 March,	2023 Rs.	2022 Rs.
9. Income Tax (Reversal)/Expense (Cont.)		
9.3 Reconciliation of Business tax losses		
Tax Loss Brought Forward	20,781,969	20,781,969
Tax losses incurred during the year	-	-
Tax Loss Carried Forward	**20,781,969**	**20,781,969**

10. Loss per share

Calculation of loss per share is based on the loss attributable to Ordinary Shareholders divided by the weighted average number of ordinary shares outstanding as at the reporting date.

	2023	2022
Loss for the year (Rs.)	(455,391)	(7,062,284)
Weighted average number of ordinary shares (Note 16)	250,000	250,000
Loss per share (Rs.)	**(1.82)**	**(28.25)**

11. Property, Plant & Equipment

For the year ended 31 March,	Office Equipment Rs.	Computer Equipment Rs.	Furniture and Fixtures Rs.	Total 2023 Rs.	Total 2022 Rs.
Cost					
Balance at the beginning of the year	14,288	2,534,998	23,990	2,573,276	2,573,276
Balance at the end of the year	**14,288**	**2,534,998**	**23,990**	**2,573,276**	**2,573,276**
Accumulated depreciation					
Balance at the beginning of the year	14,288	2,524,951	23,990	2,563,229	2,424,264
Charge for the year	-	10,047	-	10,047	138,965
Balance at the end of the year	**14,288**	**2,534,998**	**23,990**	**2,573,276**	**2,563,229**
Carrying amounts					
As at 31st March 2023	-	-	-	-	
As at 31st March 2022	-	**10,047**	**23,990**		**10,047**

As at 31 March,	2023 Rs.	2022 Rs.
12. Intangible assets		
Cost		
Balance at the beginning of the year	264,600	264,600
Balance at the end of the year	**264,600**	**264,600**
Amortization		
Balance at the beginning of the year	234,999	198,889
Charge for the year	29,601	36,110
Balance at the end of the year	**264,600**	**234,999**
Carrying value as at end of the year	-	**29,601**
13. Other receivables		
WHT receivable	143,147	143,147
VAT receivable	375,926	375,926
	519,073	**519,073**
14. Amounts due from Related Parties		
Luxeasia (Pvt) Ltd (Note 14.1)	-	-
	-	-

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14.1 The Board assessed the recoverability of the loan of Rs 13,750,000 provided by Sita World Travel Lanka (Pvt) Ltd to Luxeasia (Pvt) Ltd. Given that Luxeasia (Pvt) Ltd is facing going concern issues and serious loss of capital situation, there is a significant concern over the recoverability of the said loan. Accordingly, a 50% provision was been made in 2021/20 financial year and the reminng 50% provision was made during the 2022/21.

As at 31 March,	2023 Rs.	2022 Rs.
14. Amounts due from Related Parties (Cont.)		
Balance at the beginning of the year	-	6,875,000
Settlement made during the year	-	(230,000)
Provision for related party receivables	-	(6,645,000)
Balance at the end of the year	-	-
15. Cash and cash equivalents		
Cash at bank	50,302	3,341
Bank overdraft	-	(12,291)
Cash & cash equivalents for the purpose of statement of cash flow	**50,302**	**(8,950)**
16. Stated capital		
Issued and fully paid		
250,000 ordinary shares	**2,500,000**	**2,500,000**
17. Deferred taxation		
Deferred tax liabilities (Note 17.1)	-	(1,407)
Deferred tax assets (Note 17.2)	-	1,407
	-	-
17.1 Deferred tax liabilities		
Balance at the beginning of the year	1,407	20,862
(Reversal)/origination during the year (Note 9)	(1,407)	19,455
Balance at the end of the year	-	**1,407**
17.2 Deferred tax assets		
Balance at the beginning of the year	1,407	20,862
(Reversal)/origination during the year (Note 9)	(1,407)	(19,455)
Balance at the end of the year	-	**1,407**

17.3 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

As at 31 March,	2023		2022	
	Temporary Difference Rs.	**Tax Effect Rs.**	**Temporary Difference Rs.**	**Tax Effect Rs.**
Deferred Tax Liabilities				
Property, plant & equipment	-	-	(10,047)	(1,407)
	-	-	**(10,047)**	**(1,407)**
Deferred Tax Assets				
Tax loss	-	-	10,047	1,407
Employee benefits		-		-
	-	-	**10,047**	**1,407**
Net Deferred Tax Liability		-		-

17.4 Tax effect on carried forward tax losses

The tax losses as at the reporting date was Rs. 20,781,969 (2021: 20,781,969) resulting in a deferred tax asset of Rs. 6,234,591 as at the reporting date (2021: 2,909,476). However, deferred tax asset has not been recognised due to the uncertainty regarding the availability of future taxable profits against which the deferred tax asset would be utilized. Accordingly, the unrecognised deferred tax asset at reporting date was Rs.6,234,591.

As at 31 March,	2023 Rs.	2022 Rs.
18. Other payables		
Profeesional Fee payable (Note 18.1.)	100,000	40,000
Duties & Taxes	2,300	2,300
Audit Fee Payable	150,000	125,000
	252,300	**167,300**

18.1 Professinal fee payable comprised of the fee payable to a tax consultant.

19. Amounts due to Related Parties		
Luxeasia (Pvt) Ltd	296,995	-
Thomas Cook (Pvt) Ltd	93,000	-
	389,995	-

The amount due to related parties has increased as a result of settlement of professional fees and an overdraft by Luxeasia (Pvt) Ltd and Thomas Cook (Pvt) Ltd on behalf of the Company.

For the year ended 31 March 2023

20 Related party transactions

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - *Related Party Disclosures*. The details of which are given below.

20.1 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard 24 - Related Party Disclosures, the Key Management Personnel (KMP) are those having authority and responsibility for planning, directing, and controlling the activities of the entity. Accordingly, the Directors of the Company have been classified as KMP of the Company.

Being the Parent and ultimate undertaking, Travel Corporation India Ltd and Fairfax Financial Holdings Ltd, Canada, respectively as noted in Note 1.3, the Board of directors have the authority and responsibility for planning, directing and controlling the activities of the entity directly and indirectly. Accordingly, the Board of Directors of those companies also have been classified as KMP.

The compensation paid to KMP's is as follows:

Key management personnel compensation	2023 Rs.	2022 Rs.
Short term employee benefits	Nil	Nil
Post employment benefits	Nil	Nil

20.2 Transactions with Related Entities

Name of the Related Party	Relationship	Nature of Transaction	Transaction Amount	Transaction Amount
Luxe Asia (Pvt) Ltd	Affiliate	Reimbursement received	-	230,000
		Fund Transfers from Luxe Asia	(35,000)	-
		Secretarial Fee SITA Lanka	(58,000)	-
Thomas Cook (Pvt) Ltd	Parent Company	Fun transfer from TC Lanka	(60,000)	-
		Audit fee SITA Lanka	(179,995)	-
		Secretarial Fee SITA Lanka	(54,000)	-
		Legal fee SITA Lanka	(3,000)	-

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For the year ended 31 March 2023

20 Related party transactions (Cont.)

The Board assssed the recoverability of the loan of Rs 13,750,000 provided by Sita World Travel Lanka (Pvt) Ltd to Luxeasia (Pvt) Ltd. Given that Luxeasia (Pvt) Ltd is facing going concern issues and serious loss of capital situation, there is a significant concern over the recoverability of the said loan over the next financial year, a 100% provision has been made. Further details have been provided in Note 14

Amounts due from related entities as at reporting date are disclosed in the Note 14

21. Fair Values of Financial Instruments

21.1 Valuation of Financial Instruments Measured at Fair Value

The Company does not have any financial instruments which are measured at fair value.

21.2 Valuation of Financial Assets and Liabilities not Carried at Fair Value

Set out below is a comparison of the carrying amounts and fair values of the financial instruments of the Company which are not measured at fair value in the financial statements. These tables do not include non-financial assets and liabilities.

As at 31 March,	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs.	Rs.	Rs.	Rs.
Financial assets				
Cash & Cash Equivalents	50,302	50,302	3,341	3,341
	50,302	**50,302**	**3,341**	**3,341**
Financial liabilities				
Other Payables	252.300	252,300	167,300	167,300
	252,300	**252,300**	**167,300**	**167,300**

22. Financial risk management

22.1 Introduction and Overview

The Company has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Market risk
3. Liquidity risk
4. Operational 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 throughout this financial statement.

22.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks 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. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

22.3 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 receivables from customers, related parties and cash and cash equivalents.

The Company trades only with creditworthy customers. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts in not significant. Cash and cash equivalents and the short term deposits are held with bank which has good ratings based on Fitch ratings.

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For the year ended 31 March, 2023

22. Financial risk management (Cont.)

22.3.1 Credit risk exposure and managing the risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows,

As at 31st March,	2023 Rs.	2022 Rs.
Amounts due from related entities	-	-
Cash & cash equivalents	50,302	(8,950)
	50,302	**(8,950)**

22.4 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 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.

Maturity analysis

The table below summarizes the maturity profile of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments.

As at 31 March 2023	**Carrying amount (Rs.)**	**Cash flows (Rs.)** **Within 6 months**	**More than a year**
Non- derivative Financial Liabilities			
Trade & other payables	252,300	252,300	-
Amounts due to related parties	389,995	389,995	-
	642,295	**642,295**	**-**
As at 31 March 2022			
Non- derivative Financial Liabilities			
Trade & other payables	167,300	167,300	-
Amounts due to related parties	3,341	3,341	-
	170,641	**170,641**	**-**

22.5 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.

22.5.1.Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes on foreign exchange rates. The Company monitors the fluctuations in foreign currencies with appropriate strategies to minimize risk.

The Company is exposed to currency risk on transaction and settlements of transaction that are denominated in a currency other than the respective functional currencies of Company. The Company's transactions primarily in its functional currency (LKR). Therefore, the currency risk is minimul.

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For the year ended 31 March 2023,

22. Financial risk management (Cont.)

22.5.2 Interest rate risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

Management of interest rate risk

The Company's investment decisions in interest bearing assets are controlled by the higher level authorities appointed by the Board of Directors and they are advised and guided only to invest in secured and regulated investment sources.

22.5.3 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance when this is effective.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Board of Directors and senior management of the Company.

23. Capital commitments and contingent liabilities

There were no contract for capital expenditure of material amounts approved or contracted for as at the reporting date. There have been no material contingent liabilities outstanding as at the reporting date.

KPMG Chartered Accountants

24. Litigation and claim

There were no pending litigation or claims as at the reporting date.

25. Going concern

The Company has reported a net loss of Rs. 455,391/- for the year ended 31st March 2023 (2022 - Loss Rs. 7,062,284/-). As at the reporting date, the Company's accumulated loss amounted to Rs. 45,737,949/-. Further, the Company has ceased Business operations since October 2018. Accordingly, the Company remained dormant as at reporting date.

Even though these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, the management has decided to continue with the Company due to matters relating to Trademark. The Board of directors are of the view that the Company will continue as a going concern legal entity. Accordingly, these financial statements have been prepared on a going concern basis.

26. Board of Directors' responsibility for financial reporting

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and the Companies Act No. 7 of 2007.

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, 2023, 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, 2023, 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.A.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 * Chartered Accountants * Kathmandu

Sunir K. Dhungel
Managing Partner

Place: Kathmandu
Date: May 05, 2023

UDIN: 230504CA00109juytM

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

Balance Sheet
As at 31 March 2023

Amount in NPR

	Sch	As at 31 March 2023	As at 31 March 2022
EQUITY & LIABILITIES			
Equity			
Share capital	1	2,250,000	2,250,000
Reserves and surplus	2	120,606,708	103,112,914
Total Equity		**122,856,708**	**105,362,914**
Liabilites			
Current liabilities and Provisions			
Current liabilities	9	116,928,369	134,729,694
Provisions	10	143,282,108	143,449,668
Lease Liabilities	16	6,742,285	9,380,471
Total Liabilities		**266,952,762**	**287,559,833**
Total Equity and Liabilites		**389,809,471**	**392,922,747**
ASSETS			
Non Current Assets			
Property, plant and equipment (net of depreciation)	3	12,157,022	19,569,822
ROU Assets	4	6,840,212	7,732,501
Deferred tax assets	11	4,819,775	2,485,163
Total Non Current Assets		**23,817,008**	**29,787,486**
Current Assets			
Investments	5	-	61,748,000
Sundry debtors	6	108,334,683	63,268,433
Cash & bank balances	7	37,940,410	12,368,979
Loans and advances	8	219,717,369	225,749,849
Total current assets		**365,992,462**	**363,135,261**
Total Assets		**389,809,470**	**392,922,747**
Contingent liabilities	17	300,932,011	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

Sanjay Siroli
Director

[illegible] Deva
Director

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

S.A.R. Associates * Chartered Accountants * Kathmandu

Date: 05/04/2023
Place: Kathmandu

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

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

Income Statement

for the period 1 April 2022 to 31 March 2023

	Sch	Current Year	*Amount in NPR* Previous Year
Income			
Sales & services (net)	12	44,502,744	2,272,853
Other business income	13	5,260,251	8,453,536
		49,762,995	10,726,389
Expenditure			
Personnel expenses	14	18,954,599	15,002,864
Administrative expenses	15	8,725,652	3,534,571
Profit from Operation		22,082,744	(7,811,046)
Depreciation and amortisation	3	8,591,272	9,188,756
Depreciation of Right of Use Lease Assets		2,561,040	2,441,840
Interest Exp Finance Lease		743,436	951,204
Foreign exchange (gain)/loss		(4,972,186)	(1,754,931)
Profit before Bonus and Tax		15,159,182	(18,637,915)
Staff bonus		-	-
Profit before tax		15,159,182	(18,637,915)
Current tax		-	-
Deferred tax expense (income)		(2,334,612)	142,027
Profit after tax for the year		17,493,794	(18,779,942)
Basic Earnings per share of face value of Rs 100		778	(835)
Diluted earnings per share of face value of Rs 100		778	(835)

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

S.A.R. Associates * Kathmandu * Chartered Accountants

Sanjay Shroff
Director

Dipak Deva
Director

Date: 05/14/2023
Place: Kathmandu

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

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

Cash Flow Statement
for the period 1 April 2022 to 31 March 2023

	Sch	Current Year	*Amount in NPR* Previous Year
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (Loss) before taxation and extraordinary items		15,159,182	(18,637,915)
Adjustment for			
Depreciation		8,591,272	9,188,756
Depreciation of Right of Use Lease Assets		2,561,040	2,441,840
Provisions for staff bonus		-	-
Interest income		(5,192,943)	(7,117,609)
Profit on sale of fixed assets		(442)	-
Creditors balance written off		(31,038)	(331,474)
Foreign Currency Fluctuation		(4,972,186)	(1,754,931)
Operating Profit before changes in working capital		**16,114,885**	**(16,211,333)**
Decrease/ (Increase) in current assets		(33,779,069)	(39,390,532)
Increase/ (Decrease) in current liabilities		(17,770,287)	9,429,774
Cash generated from operations		**(35,434,472)**	**(46,172,091)**
Payment from retirement benefit fund		(167,560)	1,651,204
Income tax paid		(644,745)	(2,655,855)
Payment of staff bonus		-	(5,019,250)
Net cash flows from operating activities		**(36,246,777)**	**(52,195,992)**
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest received		5,555,173	7,117,609
(Purchase)/Adjustment of fixed assets/ investments		(2,847,222)	-
Proceeds on sale of assets		442	-
(Increase)/Decrease of Investment in fixed deposit during the year		61,748,000	54,252,000
Net cash flows from investing activities		**64,456,393**	**61,369,609**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares (except bonus shares)		-	-
Payments for the principal portion of the lease liability		(1,894,749)	(2,145,533)
Interest portion of the lease liability		(743,436)	(951,204)
Repayment of long-term loan		-	-
Dividend paid		-	-
Net cash flows from financing activities		**(2,638,185)**	**(3,096,737)**
Net increase/ (decrease) in cash (A+B+C)		**25,571,431**	**6,076,880**
Cash and Cash Equivalents at at 31 March 2022		12,368,979	6,292,099
		37,940,410	12,368,979

Significant Accounting Policies and Other Explanatory Notes 18

As per our report of even date

Nirmal Nepal
Manager

Deenam Lamichhane
General Manager

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

S.A.R. Associates Kathmandu Chartered Accountants

Sanjay Shroff
Director

Dipak Deva
Director

Date: 05/04/2023
Place: Kathmandu

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

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

Statement of Changes in Equity
for the Year Ended 31 March 2023

Amount in NPR

Particulars	Note	Share Capital	Accumulated Profit	Total
Balance at 31 March 2022		2,250,000	103,112,914	105,362,914
Changes in accounting policy		-	-	-
Restated balance at 31 March 2022		2,250,000	103,112,914	105,362,914
Currency translation differences		-	-	-
Net gains and losses not recognised in the income statement		-	-	-
Net profit for the period		-	17,493,794	17,493,794
Dividend		-	-	-
Issue of share capital		-	-	-
Balance at 31 March 2023		2,250,000	120,606,708	122,856,708

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
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Chartered Accountants

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Dipak Deva
Director

Date: 05/04/2023
Place: Kathmandu

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

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for the Year Ended 31 March 2023

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Net profit for the period		-	17,493,794	17,493,794
Dividend		-	-	-
Issue of share capital		-	-	-
Balance at 31 March 2023		2,250,000	120,606,708	122,856,708

Significant Accounting Policies and Other Explanatory Notes 18

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Director

Dipak Deva
Director

Date: 05/04/2023
Place: Kathmandu

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

Sita World Travel (Nepal) Pvt Ltd

Schedule 1 : Share Capital

	As at 31 March 2023 Rs	As at 31 March 2022 Rs
A. Authorised		
60,000 (previous year 60,000) Equity shares of Rs 100 each	6,000,000	6,000,000
	6,000,000	**6,000,000**
B. Issued, subscribed and paid up		
22,500 (previous year 22,500) Equity shares of Rs 100 each fully paid up	2,250,000	2,250,000
Of the above 14,238 equity shares of Rs 100 each fully paid up have been issued to Travel Corporation India Ltd (SOTC Travel Services Pvt Ltd) the parent company		
Total	**2,250,000**	**2,250,000**

Schedule 2: Reserves & surplus

Balance brought forward	103,112,914	121,892,856
Profit/(Loss) (Transferred from income statement)	-	
Adjustment to Retained Earning	-	
Less: Dividend payment	-	-
Profit/(Loss) (Transferred from income statement)	17,493,794	(18,779,942)
Total	120,606,708	103,112,914

S.A.R. Associates ★ Chartered Accountants ★ Kathmandu

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

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 2022**	**during the year**	**adjustments**	**31 March 2023**	**31 March 2022**	**the year**	**Adjustment**	**31 March 2023**	**31 March 2023**	**31 March 2022**
Furniture and fixtures	3,899,038	-	-	3,899,038	2,878,725	427,955	-	3,306,680	592,359	1,020,313
Office equipment	5,278,541	17,000	-	5,295,542	5,098,465	216,625	107,000	5,208,091	87,451	180,076
Computers	5,173,872	1,038,721		6,212,594	5,024,398	224,912	-	5,249,311	963,283	149,474
Vehicles	48,168,990	15,750	-	48,184,740	30,104,661	7,566,168	-	37,670,829	10,513,911	18,064,329
Leasehold improvement	2,698,987	-	-	2,698,987	2,550,890	148,078	-	2,698,968	18	148,097
Total	**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**
Previous Year	**65,091,111**	-	-	**65,219,430**	**36,513,379**	**9,143,760**	-	**45,657,139**	**19,562,289**	**28,577,731**
Intangible Assets										
Computer software	280,500	-	-	280,500.00	272,967	7,533	-	280,500	-	7,533
Total	**280,500**	-	-	**280,500**	**272,967**	**7,533**	-	**280,500**	-	**7,533**
Previous Year	**280,500**	-	-	**280,500**	**227,971**	**44,996**	-	**272,967**	**7,533**	**52,529**
Grand Total	**65,499,930**	**1,071,471**	-	**66,571,401**	**45,930,106**	**8,591,272**	**107,000**	**54,414,378**	**12,157,022**	**19,569,822**

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S.A.R. Associates * Chartered Accountants * Kathmandu

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

SITA World Travel (Nepal) Pvt Ltd

		As at 31 March 2023 Rs	As at 31 March 2022 Rs
Schedule 4 : ROU Assets			
Cost			
As at 1 April 2022		16,319,806	14,651,055
Increase		-	-
Obligation		-	-
Transferable and reclassification		-	-
Decrease		-	-
	Total	16,319,806	14,651,055
Accumulated Depreciation			
As at 1 April 2022		6,918,554	4,440,655
Charge		2,561,040	2,441,840
Charge from retirement obligation		-	-
Transferable and reclassification		-	-
Decrease		-	36,059
	Total	9,479,594	6,918,554
Net Block		6,840,212	7,732,501

S.R. Associates * Chartered Accountants * Kathmandu

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

SITA World Travel (Nepal) Pvt Ltd

		As at 31 March 2023 Rs	As at 31 March 2022 Rs
Schedule 5 : Investments			
Fixed deposit with NMB Bank Ltd		-	15,000,000
Fixed deposit with Nepal SBI Bank Ltd. - NPR		-	46,748,000
Fixed deposit with Nepal SBI Bank Ltd. - USD		-	
	Total	-	61,748,000
Schedule 6 : Sundry Debtors			
A) Debts outstanding over six months			
- considered good		10,991,706	56,771,892
- considered doubtful			
B) Other debts			
- considered good		97,342,977	6,496,541
		108,334,683	63,268,433
Less: Provision for doubtful debts			
	Total	108,334,683	63,268,433
Schedule 7 : Cash and Bank Balances			
Cash in Hand		220,889	47,615
Bank Balances			
Current account balances		5,990,885	1,149,415
Foreign currency account balance		31,728,636	11,171,949
	Total	37,940,410	12,368,979
Schedule 8 : Loans and advances			
Advance for expenses		2,396,803	3,327,288
Advance corporate tax		133,465,718	133,615,722
Deposit against income tax appeal		82,097,519	81,302,770
Deposits (receivables)		1,449,686	5,401
VAT receivables		(5,036,659)	3,050,728
Prepaid expenses		5,344,301	4,085,710
Accrued Interest on Fixed Deposit		-	362,230
		219,717,369	225,749,849

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SITA WORLD TRAVEL (NEPAL) P. LTD.

Associates * Chartered Accountants Kathmandu

SITA World Travel (Nepal) Pvt Ltd

	As at 31 March 2023 Rs	As at 31 March 2022 Rs
Schedule 9 : Current Liabilities		
Received from client in advance	33,617,738	13,524,822
Sundry creditors	2,310,981	-
TDS payable	1,146,312	369,532
Dividend payable	109,355	76,075,578
Other liabilities	79,743,983	44,759,762
Total	116,928,369	134,729,694

	As at 31 March 2023 Rs	As at 31 March 2022 Rs
Schedule 10 : Provisions		
Provision for gratuity	6,123,200	6,414,730
Provision for leave encashment	1,070,818	946,848
Provision for income tax	136,088,090	136,088,090
Total	143,282,108	143,449,668

	As at 31 March 2023 Rs	As at 31 March 2022 Rs
Schedule 11 : Deferred Tax Assets		
Arising on account of temporary difference in Retirement Benefits	1,798,505	1,683,270
Depreciation	3,021,270	801,893
Total	4,819,775	2,485,163

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

S.A.R. Associates * Chartered Accountants * Kathmandu

SITA World Travel (Nepal) Pvt Ltd

			Current year Rs		Previous year Rs
Schedule 12 : Sales and Services (Net of cost)					
A.	**Tours Income**		41,106,877		3,557,914
	Tours Income	214,916,093		17,764,565	
	Less: Cost of tours	(173,809,216)		(14,206,651)	
B.	**Coach Income**		3,395,867		(1,285,061)
	Coach Income	8,761,451		677,823	
	Less: Coach expenses	(5,365,584)		(1,962,884)	
	Total		44,502,744		2,272,853

Schedule 13 : Other income

	Current year Rs	Previous year Rs
Interest on fixed deposit	5,192,943	7,117,609
Miscellaneous income	35,828	240,401
Creditors written back (Provsion for tour)	31,038	331,474
Income from Retirement Benefit Deposit	-	764,052
Profit on sale of assets	442	-
Total	5,260,251	8,453,536

Schedule 14 : Personnel Expenses

	Current year Rs	Previous year Rs
Salary & wages	16,320,534	13,377,025
Contribution to Provident Fund	904,333	909,622
Retirement benefit Expenses	751,913	-
Medical expenses	602,961	606,642
Staff uniform exp	-	-
Staff welfare expenses	374,858	109,575
Total	18,954,599	15,002,864

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SITA WORLD TRAVEL (NEPAL) PVT. LTD.

S.A. Associates * Kathmandu * Chartered Accountants

SITA World Travel (Nepal) Pvt Ltd

Schedule 15 : Administrative and selling expenses	Current year Rs	Previous year Rs
Advertisement, publicity & sales promotion	309,597	617,699
Operational lease rentals	(36,100)	180,000
Communication	1,392,631	425,553
Travelling and conveyance	28,000	30,000
Bank charges	888,591	78,258
Legal and consultancy fees	3,896,384	401,470
Repairs and maintenance	138,453	-
Electricity and water	285,124	276,621
Printing and stationery	202,936	13,506
Entertainment	-	-
Security expenses	786,700	742,200
Insurance	220,413	212,487
Membership and subscription fees	60,985	68,984
Tax Audit Fee	190,025	190,025
Prior Year Expenses	-	-
Group audit fee	153,000	153,000
Audit expenses	-	-
Miscellaneous expenses	208,913	194,768
	8,725,652	3,534,571

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SITA WORLD TRAVEL (NEPAL) PVT. LTD.

A.R. Associates Kathmandu Chartered Accountants

SITA World Travel (Nepal) Pvt Ltd

	As at 31 March 2023 Rs	As at 31 March 2022 Rs
Schedule 16 : Lease Liabilities		
Office Building	6,742,285	9,380,471
	6,742,285	9,380,471

S.A.R. Associates * Kathmandu * Chartered Accountants

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

SITA World Travel (Nepal) Pvt Ltd

	As at 31 March 2023 Rs	As at 31 March 2022 Rs
Schedule 17 : Contingent liabilities		
Income tax matters FY 2069-70	-	-
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	179,403,531	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	300,932,011	295,029,015

S.A.R. Associates
Kathmandu
Chartered Accountants

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

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 2023 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.

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

S.A.R. Associates Kathmandu Chartered Accountants

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 loss 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.

Sita World Travel (Nepal) Pvt. Ltd.

S.A.R. Associates Chartered Accountants Kathmandu

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. (then SOTC Travel Services Pvt Ltd), India is calculated on the credit sales @ 5% on the cost of transportation and hotel bills excluding the cost of meals 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 Kathmandu Chartered Accountants

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

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
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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	**300,932,011**	**295,029,015**

2. Related Party

The parent company, Travel Corporation India Ltd. (then SOTC Travel Services Pvt. 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	75,456,851.83	4,014,015.61
Technical fee during the period	5,363,546.49	485,857
Receivables as on 31 March 23	74,611,306.39	59,714,659.25
Payables as on 31 March 2023 (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%.

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

Particulars	Amount (NPR)
Fixed Assets	3,021,269.77
Retirement Fund	1,798,504.50
DTA as on March end 2023	4,819,774.27
DTA as on March end 2022	2,485,162.52
Movement During the Year	2,334,611.75

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

S.R. Associates Kathmandu Chartered Accountants

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.R. Associates Kathmandu Chartered Accountants

SITA WORLD TRAVEL (NEPAL) PVT. LTD.

Thomas Cook (Mauritius) Holidays Ltd

FINANCIAL STATEMENTS
YEAR ENDED
31 March 2023

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Contents **Pages**

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Corporate data

		Date appointed
Directors:	Mr Mahesh Chandran Iyer	07 December 2012
	Mr Shakeel Mohinder Dyall	04 September 2013
	Mr Debasis Nandy	20 August 2018
	Mr Madhavan Menon	08 March 2019
	Mrs Lovania Pertab	01 April 2019

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

Auditor:

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

Bankers:

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

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

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 2023.

Principal activity

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

Results and dividends

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

The directors did not recommend any dividend during the year under review (2022: 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 judgements 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.

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.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Annual report (Contd)

Directors' remuneration

During the year ended 31 March 2023, the directors received an aggregate amount of **Rs 30,000** (2022: Rs 30,000) as directors' fees. No other remuneration was received.

Donations

The Company made no donations during the year ended 31 March 2023 (2022: Rs Nil).

Auditors

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

	2023 Rs	**2022 Rs**
Audit fees	**80,002**	86,040
Tax fees	**32,919**	8,831
	112,921	94,871

The auditors, **Baker Tilly**, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

Director **Director**

Date: 08 MAY 2023

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

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 2023.

Executive Services Limited
Per Didier Angseesing

for **Executive Services Limited**
Secretary

Registered address:
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Vieux Conseil Street
Port Louis
Republic of Mauritius

Date: 08 MAY 2023

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Ebène 72201, Mauritius

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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 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.

In our opinion, the accompanying financial statements on pages 9 to 43 give a true and fair view of the financial position of the Company as at 31 March 2023, 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our opinion is not modified in this respect.

Emphasis of Matter - Going concern

We draw attention to Note 23 of the financial statements which indicates that the Company is in a net liability position as at 31 March 2022. These conditions indicate the existence of material uncertainty which may cast significant doubts on the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis, the validity of which depends on the continued availability of funds being made available by its immediate holding company. These financial statements do not include any adjustments that would result from non-availability of finance.

In addition to the above, the Company failed to meet its IATA condition in respect of the minimum equity of USD 10,000 (Note 5). The directors are taking appropriate measures to address this issue in consultation with IATA.

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 that comply 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

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.

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.

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

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: 08 MAY 2023

Sin C. LI, CPA, CGMA

Licensed by FRC

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Statement of financial position as at 31 March

	Notes	2023 Rs	2022 Rs
Assets			
Non-current			
Plant and equipment	7	**43,281**	331,608
Intangible assets	8	**-**	18,171
Deferred tax assets	19	**2,444,456**	-
Non-current assets		**2,487,737**	349,779
Current			
Trade and other receivables	9	**1,214,625**	1,902,417
Cash and cash equivalents	10	**322,098**	1,410,203
Current assets		**1,536,723**	3,312,620
Total assets		**4,024,460**	3,662,399
Equity and liabilities			
Equity			
Stated capital	11	**18,326,000**	18,326,000
Accumulated losses		**(37,153,277)**	(40,331,174)
Shareholders'deficit		**(18,827,277)**	(22,005,174)
Liabilities			
Non-current			
Gratuity obligations	12	**-**	337,000
Non-current liabilities		**-**	337,000
Current			
Trade and other payables	13	**22,849,589**	18,193,414
Borrowings	14	**2,148**	7,137,159
Current liabilities		**22,851,737**	25,330,573
Total liabilities		**22,851,737**	25,667,573
Total equity and liabilities		**4,024,460**	3,662,399

Approved by the Board of Directors on 08 MAY 2023 and signed on its behalf by:

Director

Director

The notes on pages 13 to 43 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Statement of comprehensive income for the year ended 31 March

	Notes	2023 Rs	2022 Rs
Net commission income	15	**947,878**	443,384
Other income		**653,686**	(5,473)
Administrative expenses		**(660,639)**	(5,725,436)
Operating profit/ (loss)	17	**940,925**	(5,287,525)
Net finance costs	18	**(206,484)**	(179,277)
Profit/ (Loss) before tax		734,441	(5,466,802)
Tax charge	16	**2,444,456**	-
Profit/ (Loss) for the year		**3,178,897**	(5,466,802)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (loss)/gain on gratuity benefit obligations	12	**(1,000)**	35,000
Items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive (loss)/income for the year, net of tax		**(1,000)**	35,000
Total comprehensive income/(loss) for the year		**3,177,897**	(5,431,802)

The notes on pages 13 to 43 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Statement of changes in equity for the year ended 31 March

	Stated capital Rs	Accumulated losses Rs	Gratuity benefit deficits Rs	Total Rs
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 income for the year	**-**	**3,178,897**	**(1,000)**	**3,177,897**
At 31 March 2023	**18,326,000**	**(37,152,277)**	**(1,000)**	**(18,827,277)**
At 01 April 2021	18,326,000	(34,864,372)	(35,000)	(16,573,372)
Loss for the year	-	(5,466,802)	-	(5,466,802)
Other comprehensive income	-	-	35,000	35,000
Total comprehensive loss for the year	-	(5,466,802)	35,000	(5,431,802)
At 31 March 2022	18,326,000	(40,331,174)	-	(22,005,174)

The notes on pages 13 to 43 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Statement of cash flows for the year ended 31 March

	2023 Rs	2022 Rs
Operating activities		
Profit/ (Loss) before tax	**734,441**	(5,466,802)
Adjustments for:		
Interest income	**(8,112)**	-
Interest expense	**231,750**	32,079
Depreciation	**288,327**	1,126,423
Amortisation	**18,171**	184,882
Effects of exchange difference	-	60,034
Gratuity benefit obligations	**(329,000)**	67,000
Total adjustments	**201,136**	1,470,418
Net changes in working capital:		
Change in trade and other receivables	**687,792**	(40,086)
Change in trade and other payables	**4,656,175**	3,379,095
Change in lease liabilities	**(290,746)**	-
Total changes in working capital	**5,053,221**	3,339,009
Interest paid	**(231,750)**	(32,079)
Interest received	**8,112**	-
Contributions paid	**(9,000)**	(8,000)
Net cash generated from/ (used in) operating activities	**5,756,160**	(697,454)
Financing activities		
Repayment of right-of-use liabilities	-	(1,156,921)
(Repayment)/Additions to bank overdrafts	**(6,844,265)**	106,975
Net cash used in financing activities	**(6,844,265)**	(1,049,946)
Net change in cash and cash equivalents	**(1,088,105)**	(1,747,400)
Cash and cash equivalents, beginning of the year	**1,410,203**	3,157,603
Cash and cash equivalents, end of the year	**322,098**	1,410,203
Cash and cash equivalents made up of:		
Cash in hand and at bank (Note 10)	**322,098**	1,410,203
Bank overdraft (Note 14)	**(2,148)**	(6,846,413)
	319,950	(5,436,210)

For reconciliation of liabilities arising from financing activities, refer to ***Note 22***

The notes on pages 13 to 43 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

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").

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 2022:

- Amendments to IAS 16 Property, Plant and Equipment- Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 April 2022.

Amendments to IAS 16 Property, Plant and Equipment- Proceeds before Intended Use

The amendments to IAS 16 Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of Property, Plant and Equipment any proceeds received from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the entity will recognise such sales proceeds and related cost in the profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether the asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. Therefore, the financial performance of the asset is not relevant to this assessment. The entity must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

In accordance with the transitional provisions, the entity applies the amendments retrospectively only to items of Property, Plant and Equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

2. Application of new and revised IFRS (Contd)

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

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts – Cost of Fulfilling a Contract

IAS 37 Provisions, Contingent Liabilities and Contingent Assets defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs directly related to contracts activities (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets apply for annual periods beginning on or after 1 April 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

In accordance with the transitional provisions, the entity applies the amendments prospectively, i.e., to business combinations occurring after the annual periods beginning on or after 1 April 2022 in which it first applies the amendments (the date of initial application).

Annual Improvements to IFRS Accounting Standards 2018-2020

The Annual Improvements to IFRS Accounting Standards 2018-2020 include amendments to four standards:

(a) IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

2. Application of new and revised IFRS (Contd)

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

Annual Improvements to IFRS Accounting Standards 2018-2020(Cont'd)

(b) IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

(c) IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example (non-obligatory part of IFRS), so no effective date is stated.

(d) IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The above-mentioned amendments did not have any major impact on the Company's financial statements for the year ended 31 March 2023.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

2. Application of new and revised IFRS (Contd)

2.2 Standards and interpretations issued and not yet effective for the financial year ended 31 March 2023.

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
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments – Disclosure of Accounting Policies)	01 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)	01 January 2023
IAS 12 Income Taxes (Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	01 January 2023
Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17).	01 January 2023
IAS 1 Presentation of Financial Statements (Amendments– Classification of Liabilities as Current or Non-current)	01 January 2024
IFRS 16 Leases (Amendments- Lease Liability in a Sale and Leaseback)	01 January 2024
IAS 1 Presentation of Financial Statements (Amendments– Non-current Liabilities with Covenants)	01 January 2024
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Amendments - Sale or contribution of assets between an investor and its associate or joint venture)	Defer the effective date of the September 2014 amendments to these standards indefinitely

The Directors are 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 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").

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

3. Summary of accounting policies (Contd)

3.2 Foreign currency (Contd)

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 translation 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 or loss within 'net finance income'.

Non-monetary items are not retranslated at period-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 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 asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate 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 disposed, 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 if 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 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.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

2. Summary of accounting policies (Contd)

3.4 Intangible assets (Contd)

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 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 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 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); and
- 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 trade receivables which is presented within other expenses.

3. Summary of accounting policies (Contd)

3.6 Financial instruments (Contd)

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 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'. 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 includes trade and other 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.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

3. Summary of accounting policies (Contd)`

3.6 Financial instruments (Contd)

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.

3.8 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.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

3. Summary of accounting policies (Contd)

3.11 Income tax (Contd)

(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) Government Wage Assistance Scheme (GWAS)

In March 2020, the Government of the Republic of Mauritius announced the Government Wage Assistance Scheme (GWAS) to ensure that all employees in the private sector are duly paid their salary during the lockdown period. Employers who have benefited from GWAS will be liable to a COVID-19 Levy.

Employers should effect payment of the monthly salary as usual and in case their business has been adversely affected by Covid-19 and the lockdown in Mauritius, they may after payment of the salary, apply to MRA for financial support under GWAS. Under GWAS, a business entity in the private sector is entitled to receive in respect to its wage bill for the month of March 2020, and to any other month as decided by the Government, an amount equivalent to 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 12,500 of assistance per employee. A company which benefited from GWAS will be liable to a COVID-19 levy (Levy). The levy payable is capped at the lower of the financial support obtained under the GWAS or 15% of the chargeable income of the company. The company will not be subject to the levy if it is not liable to tax.

(iv) 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.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

3. Summary of accounting policies (Contd)

3.11 Income tax (Contd)

(iv) Corporate Social Responsibility ("CSR") (Contd)

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.

3.13 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. Summary of accounting policies (Contd)

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.

Sale 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 Euro rail tickets

Fees and commission on Euro rail tickets sold by the Company are recognised when the service has been provided.

"L'express" sales

Fees and commission earned on "l'express" (a daily newspaper) advertisements are recognised when the service has been provided.

Sale of travel insurance

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

Sale of visa services

Fees are earned on the sale of visa form-filing services.

Interest income

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

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

3. Summary of accounting policies (Contd)

3.14.2 Direct costs

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

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.

The right-of-use assets are tested for impairment at each reporting date.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

3. Summary of accounting policies (Contd)

3.15 Leased assets (Contd)

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.

3.16 Expense recognition

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

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.

3.19 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.

Impact of Covid-19 and going concern

In January 2020, the World Health Organisation has declared the outbreak of a novel coronavirus (Covid-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of COVID-19 on the Company's activity and have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's current and future performance, financial support from related parties, the global economic conditions and other risks that could affect the Company.

3. Summary of accounting policies (Cont'd)

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

Significant management judgement

Detailed analysis of the impact of Covid-19 on the Company's activity is provided in Note 4.4 to these financial statements.

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** (2022: Rs 337,000).

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.

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.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

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 board of directors with the assistance of management has assessed the risks of Covid-19 and their potential impact on the Company based on the information available at time of assessment and the results of the assessment are provided in Note 4.4.

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

	2023 Rs	2022 Rs
Financial assets		
Current		
Trade and other receivables*	**958,240**	1,188,299
Cash and cash equivalents	**322,098**	1,410,203
Total financial assets	**1,280,338**	2,598,502

	2023 Rs	2022 Rs
Financial liabilities		
Current		
Trade and other payables**	**22,649,431**	18,161,453
Right-of-use liabilities	**-**	290,746
Bank overdraft	**2,148**	6,846,413
Total financial liabilities	**22,651,579**	25,298,612

**Trade and other receivables considered as financial assets exclude advances, deposits, "VAT" and prepayments.*
***Trade and other payables considered as financial liabilities exclude Value Added Taxes ("VAT").*

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 will not have any material impact on the operating cash flows.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

4.1 Market risk analysis (Cont'd)

Foreign currency sensitivity

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

	Financial assets		Financial liabilities	
	2023	**2022**	**2023**	**2022**
	Rs	**Rs**	**Rs**	**Rs**
Mauritius rupee	**1,279,362**	2,481,517	**22,649,431**	24,087,512
United States Dollar	**976**	116,985	**2,148**	1,211,100
	1,280,338	2,598,502	**22,651,579**	25,298,612

The Company is mainly exposed to fluctuations in the United States Dollar.

The information below illustrates the sensitivity of loss and equity in regard to the Company's financial instruments and the USD/MUR exchange rate, "all other things being equal".

It assumes a 10% change in the USD/MUR exchange rate for the year ended 31 March 2023 (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 by 10%, loss would have increased by **Rs 117** at 31 March 2023 (2022: Rs 109,412). If the MUR had weakened by the same percentage against the USD, loss would have decreased by **Rs 117** (2022: Rs 109,412).

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 analysis

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:

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

4.2 Credit risk analysis (Cont'd)

	2023 Rs	2022 Rs
Financial assets		
Current		
Trade and other receivables	**958,240**	1,188,299
Cash and cash equivalents	**322,098**	1,410,203
	1,280,338	2,598,502

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 directors consider that no credit risk is associated with the amounts due from the related parties as all the related parties form part of the same group of companies and the ultimate holding company has undertaken to make good any loss suffered by the Company in the event of any default arising out from these amounts due.

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.

4.3 Liquidity risk analysis

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 March 2023				
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**	-

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

4.3 Liquidity risk analysis (Cont'd)

	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	More than one year Rs
31 March 2022				
Trade and other payables	18,161,453	18,161,453	18,161,453	-
Right-of-use liabilities	290,746	290,746	290,746	-
Bank overdraft	6,846,413	6,846,413	6,846,413	-
	25,298,612	25,298,612	25,298,612	-

4.4 Risks related to the Covid-19 pandemic

On 11 March 2020, the World Health Organisation categorised Covid-19 as a pandemic and on 19 March 2020, the Government of Mauritius announced a lockdown for two weeks which was further extended up to 01 June 2020.

Management has made a preliminary assessment of Covid-19 impact on the Company's current and future performance and the results of this assessment are provided below.

a) The Company is currently operating using bank overdraft facilities and the financial support from its related parties. However, the cashflow may collapse due to lack of business activities and lower business revenues. These in turn may cause distress for the Company to meet its obligations. The directors believe that the prevailing situation will have an impact and a close monitoring of the evolution is warranted to assist management in its decision-making process.

b) Since the borders of many countries are still closed and people may not be willing to travel due to the risk of getting infected, the income of the Company is expected to experience a major hit. The directors are closely monitoring the situation and working on several measures to alleviate the impact and stimulate the Company's performance.

c) Although no specific situation has been identified at present, it is possible that in the future the Company may breach covenants on banking facilities due to difficulties triggered by the Covid-19 crisis.

d) It is possible that post-crisis, new legislations and regulations may be enacted in other countries that would adversely impact the Company's ability to access their traditional markets for their services.

The above assessment is based on the information currently available about the spread of the Covid-19 disease in Mauritius and it is possible that the actual impact of Covid-19 on the Company will differ from what has been predicted above.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

5. Capital management policies and procedures

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

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.

	2023 **Rs**	**2022** **Rs**
Total borrowings	**2,148**	7,137,159
Less: cash and cash equivalents	**(322,098)**	(1,410,203)
Net debt	**(319,950)**	5,726,956
Total equity	**(18,827,277)**	(22,005,174)
Gearing ratio	**2%**	100%

(i) Borrowings comprise of bank overdraft and right-of-use liabilities as detailed in Note 14.

(ii) Equity includes both capital and reserves.

(iii) In virtue of the IATA (International Air Transport Association) conditions, the Company is required, amongst others, to maintain a total equity of not lower than USD 10,000 (equivalent to Rs 448,517 as at 31 March 2023). As at 31 March 2023, the Company had a negative equity of Rs 18,827,277 and hence it did not meet the above condition.

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, prepayments and advances to suppliers. Its non-financial liabilities consist of VAT.

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.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

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 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

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

7. Plant and equipment (Cont'd)

	Office equipment Rs	Computer equipment Rs	Furniture and fittings Rs	Motor vehicles Rs	Right-of-use assets Rs	Total Rs
Cost						
At 01 April 2021	57,990	474,357	252,350	977,604	2,235,854	3,998,155
Disposal	-	(28,380)	-	-	-	(28,380)
At 31 March 2022	57,990	445,977	252,350	977,604	2,235,854	3,969,775
Depreciation						
At 01 April 2021	46,220	474,357	203,495	977,604	838,448	2,540,124
Disposal	-	(28,380)	-	-	-	(28,380)
Charge for the year	3,273	-	6,323	-	1,116,827	1,126,423
At 31 March 2022	49,493	445,977	209,818	977,604	1,955,275	3,638,167
Net book values						
At 31 March 2022	8,497	-	42,532	-	280,579	331,608

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

8. Intangible assets

Cost	Software Rs
At 01 April 2022 and 31 March 2023	**946,240**
Amortisation	
At 01 April 2022	**928,069**
Charge for the year	**18,171**
At 31 March 2023	**946,240**
Net book values	
At 31 March 2023	**-**

Cost	Rs
At 01 April 2021 and 31 March 2022	946,240
Amortisation	
At 01 April 2021	743,187
Charge for the year	184,882
At 31 March 2022	928,069
Net book values	
At 31 March 2022	18,171

9. Trade and other receivables

	2023 Rs	2022 Rs
Trade receivables, gross	**958,240**	1,183,076
Allowance for credit losses	**-**	-
Net trade receivables (Note (i))	**958,240**	1,183,076
Other receivables and prepayments	**256,385**	719,341
	1,214,625	1,902,417

(i) Total trade receivables (net of allowances) held by the Company at 31 March 2023 amounted to **Rs 958,240** (2022: Rs 1,183,076).

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

9. Trade and other receivables (Cont'd)

(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 years. For the year ended 31 March 2023, no expected credit losses was recognised the accounts.

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

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

	2023 **Rs**	**2022** **Rs**
At 01 April and 31 March	**1,344,517**	1,344,517

Ageing of past debtors

	2023 **Rs**	**2022** **Rs**
0 - 30 days	**3,438**	394,601
31 - 60 days	-	218,964
61 - 90 days	-	458
Over 90 days	**954,802**	569,053
Total	**958,240**	1,183,076

(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:

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

During the year, no expected credit losses were accounted.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

9. Trade and other receivables (Cont'd)

(v) Provision matrix (Cont'd)

2022	Trade receivables days past due				
	0-30 days	31-60 days	61-90 days	Over 90 days	Total
		Rs	Rs	Rs	Rs
Expected credit losses	-	-	-	-	-
Gross carrying amount	394,601	218,964	458	569,053	1,183,076
Expected credit losses	-	-	-	-	-
Total	394,601	218,964	458	569,053	1,183,076

(vi) The amounts due from the related companies are interest free, unsecured and receivable on demand.

10. Cash and cash equivalents

	2023	2022
	Rs	Rs
Cash at bank	**322,098**	1,410,203
Bank overdraft (Note 14)	**(2,148)**	(6,846,413)
	319,950	(5,436,210)
Cash at bank:		
- MUR	**322,098**	1,293,218
- USD	**(2,148)**	116,985
	319,950	1,410,203

11. Stated capital

	2023	2022
	Rs	Rs
183,260 ordinary shares of Rs 100 each	**18,326,000**	18,326,000

12. Gratuity obligations

The Company has recognised a gratuity obligation of **Rs Nil** (2022: Rs 337,000) 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.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

12. Gratuity obligations (Cont'd)

	2023 Rs	2022 Rs
Reconciliation of gratuity obligations		
At 01 April	**337,000**	278,000
Amount recognised in profit or loss	**(329,000)**	102,000
Amount recognised in other comprehensive income	**1,000**	(35,000)
Less Employer contributions	**(9,000)**	(8,000)
At 31 March	**-**	337,000

	2023 Rs	2022 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 contributions	**9,000**	8,000
At 31 March	**-**	8,000

	2023 Rs	2022 Rs
Reconciliation of present value of gratuity obligations		
At 01 April	**345,000**	278,000
Current service cost	**6,000**	94,000
Interest expense	**1,000**	-
Past service cost	**(335,000)**	-
Other benefits paid	**(17,000)**	-
Liability experience gain	**-**	37,000
Liability loss due to change in financial assumptions	**-**	(72,000)
At 31 March	**-**	337,000

	2023 Rs	2022 Rs
Components of amount recognised in profit or loss		
Current service cost	**6,000**	94,000
Net interest on net defined benefit liability	**-**	8,000
Past service cost	**(335,000)**	-
	(329,000)	102,000

Components of amount recognised in other comprehensive income		
Return on plan assets (above)/ below interest income	**1,000**	-
Liability experience gain	**-**	(35,000)
	1,000	(35,000)

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

12. Gratuity obligations (Cont'd)

Principal assumptions used at end of year:		
Discount rate	N/A	4.5%
Rate of salary increases	N/A	2.8%
Average retirement age	N/A	60

Sensitivity analysis on gratuity obligations at end of year:		
Increase due to 1% decrease in discount rate	-	37,000
Decrease due to 1% increase in discount rate	-	31,000

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, except for data adjustments.

13. Trade and other payables

	2023 **Rs**	**2022** **Rs**
Trade payables (Note (i))	**608,495**	4,418,802
Due to related parties (Note (ii))	**22,116,425**	13,315,614
Other payables	**124,669**	458,998
	22,849,589	18,193,414

(i) The average credit period on purchase of air ticket is generally within one month. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

(ii) The amounts due to the related parties are unsecured, interest free and payable on demand.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

14. Borrowings

	2023 Rs	2022 Rs
Current		
Bank overdraft (Note 10)	**2,148**	6,846,413
Right-of-use liabilities (Note 14.1)	**-**	290,746
	2,148	7,137,159
Total borrowings	**2,148**	7,137,159

14.1. Right-of-use liabilities

The Company's right-of-use liabilities concern rental of building. The Company classifies its right-of-use assets in a consistent manner to its plant and equipment (Note 7).

The Company has one lease (office building) as finance lease as the contractual terms of this lease meet the definition of finance lease under IFRS 16 "Leases". On 1st July 2022, the rights and obligations of the Company have been transferred to Thomas Cook (Mauritius) Operations Limited.

No payments have been made by the Company during the year.

	Within 1 year Rs	1 – 2 years Rs	Total Rs
31 March 2022			
Lease payments	1,156,921	-	1,156,921
Finance charges	(32,348)	-	(32,348)
Net present values	1,124,573	-	1,124,573

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

	Carrying amount as at 31 March 2023 Rs	Depreciation expense for the year Rs	Impairment Rs
Office building	-	280,579	-

	Carrying amount as at 31 March 2022 Rs	Depreciation expense for the year Rs	Impairment Rs
Office building	280,579	1,116,827	-

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

15. Net commission income

	2023 Rs	2022 Rs
Gross billings	**3,486,101**	15,394,135
Direct costs	**(2,538,223)**	(14,950,751)
Net	947,878	443,384

16. Taxation

(i) Income tax

The Company is liable to income tax at the rate of 15% and at 31 March 2023 it had no income tax liability due to accumulated tax losses of **Rs 16,382,763** (2022: Rs 16,262,763) carried forward.

(ii) Income tax reconciliation

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

	2023 Rs	2022 Rs
Profit/(Loss) before tax	**734,441**	(5,466,802)
Tax at effective rate of 15%	**110,166**	(820,020)
Exempt income	**(91,281)**	(365,571)
Non-allowable expenses	**52,107**	238,898
Deferred tax provision	**2,444,456**	-
Deferred tax asset not recognised	**(70,992)**	946,693
Tax charge	**2,444,456**	-

17. Operating profit/(loss)

	2023 Rs	2022 Rs
Operating profit/(loss) is arrived at after charging:		
Depreciation	**288,327**	1,126,423
Amortisation	**18,171**	184,882
Marketing expenses	-	8,177
Staff costs:		
Salaries and allowances	**349,637**	1,602,121
Social security costs	**17,926**	149,074

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

18. Net finance costs

	2023 Rs	2022 Rs
Finance income		
Exchange gains	**17,154**	85,931
Interest income	**8,112**	5,846
	25,266	91,777
Finance costs		
Interest on overdraft	**(231,750)**	(271,054)
Net finance costs	**(206,484)**	(179,277)

19. Deferred tax asset

	2023 Rs	2022 Rs
Opening	-	-
Movement	**2,444,456**	-
Closing	2,444,456	-

The balance is made up of:

	2023 Rs	2022 Rs
Accumulated losses	**2,457,415**	-
Capital Allowances	**(12,959)**	-
	2,444,456	-

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

20. 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.

Nature of relationship	Nature of transactions	Volume of transactions Rs	Credit balances at 31 March 2023 Rs	Credit balances at 31 March 2022 Rs
Intermediate holding company	Amount payable	**-**	**(4,386,525)**	(4,386,525)
Fellow subsidiary	Amount payable	**7,717,989**	**-**	(7,717,989)
Holding Company	Amount payable	**(16,518,800)**	**(17,729,900)**	(1,211,100)

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

21. Contingent liabilities

At 31 March 2023, there was no contingent liabilities in respect of bank guarantees (2022: Rs 1,253,000) in the ordinary course of business for which it is anticipated that no material liabilities will arise.

22. Reconciliation of liabilities arising from financing activities

31 March 2023	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**

31 March 2022	Opening balance Rs	Cash flows Rs	Non-cash changes Rs	Closing balance Rs
Right-of-use lease liabilities	1,422,633	(1,156,921)	25,034	290,746
Bank overdrafts	6,739,438	106,975	-	6,846,413
	8,162,071	(1,049,946)	25,034	7,137,159

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Notes to the financial statements
For the year ended 31 March 2023

23. Going concern

The Company incurred a net current liability of **Rs 21,315,014** (2022: Rs 22,017,953) during the year ended 31 March 2023 and, as of that date, the net liability stood at **Rs 18,827,277** (2022: Rs 22,005,174). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The directors have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business prospects and financial support from its immediate holding company.

In addition to the above, the Company failed to meet its IATA condition in respect of the minimum equity of USD 10,000 (Note 5). The directors are taking appropriate measures to address this issue in consultation with IATA.

24. 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, held 340,258,798 equity shares of INR 1 each representing to 72.34% stake in Thomas Cook (India) Limited as on 31 March 2023.

25. 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) Operations Company Limited

FINANCIAL STATEMENTS
YEAR ENDED
31 March 2023

Thomas Cook (Mauritius) Operations Company Limited

Contents

Thomas Cook (Mauritius) Operations Company Limited

Corporate data

		Date appointed
Directors	Mr Mohinder Dyall	04 September 2013
	Mr Debasis Nandy	17 December 2018
	Mr Madhavan Menon	08 March 2019
	Mrs Lovania Devina Ouma Pertab	01 April 2019
	Mrs Vidisha Ramlugun	12 April 2021
	Mrs Selvida Naiken	29 March 2022
	Mr Mahesh Chandran Iyer	13 April 2022

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

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

Thomas Cook (Mauritius) Operations Company Limited

Annual report

The Directors have the pleasure in submitting their annual report together with the audited financial statements of Thomas Cook (Mauritius) Operations Company Limited, the "Company", for the year ended 31 March 2023.

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 did not recommend any dividend during the year under review (2022: Rs 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 judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001, the Banking Act 2004 and guidelines issued by the Bank of Mauritius;
- state whether the Guideline on Corporate Governance has been adhered to; 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.

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 Banking Act 2004. 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.

ANNUAL REPORT

Report on Corporate Governance

CORPORATE GOVERNANCE STATEMENT

Thomas Cook (Mauritius) Operations Company Limited, the "Company", is a subsidiary of Thomas Cook (Mauritius) Holding Company Limited, a Company incorporated in the Republic of Mauritius and a step-down subsidiary of Thomas Cook (India) Limited, a Company incorporated in the Republic of India. The ultimate parent is Fairfax Financial Holding Limited, Canada.

The Corporate Governance report for the year ended 31 March 2023 has been prepared having regard to the requirements prescribed in the Guideline on Corporate Governance issued by the Bank of Mauritius.

The Company is committed to the highest standard of business integrity, transparency and professionalism in all its activities. The Board of Directors ensures that the Company is managed ethically and responsibly to enhance business value for all stakeholders.

Although the Company is not qualified as a Public Interest Entity (PIE) under The Financial Reporting Act 2004 and the Financial Reporting (Amendment of Schedule) Regulations 2016, the Board has considered and applied principles of the code which is likely to work in the particular context of the Company and culture and which promotes the following:

- Effective decision-making, risk management and control;
- Keeping the interests of the owners of the business aligned with, and at the front of the mind of, the people charged with managing the business; and
- The ability of the company to hear the voice of all stakeholders, principally, regulatory and standard bodies, employees, customers, suppliers and the environment in which the Company operates.

SHAREHOLDING STRUCTURE

The shareholding of the Company is as follows:

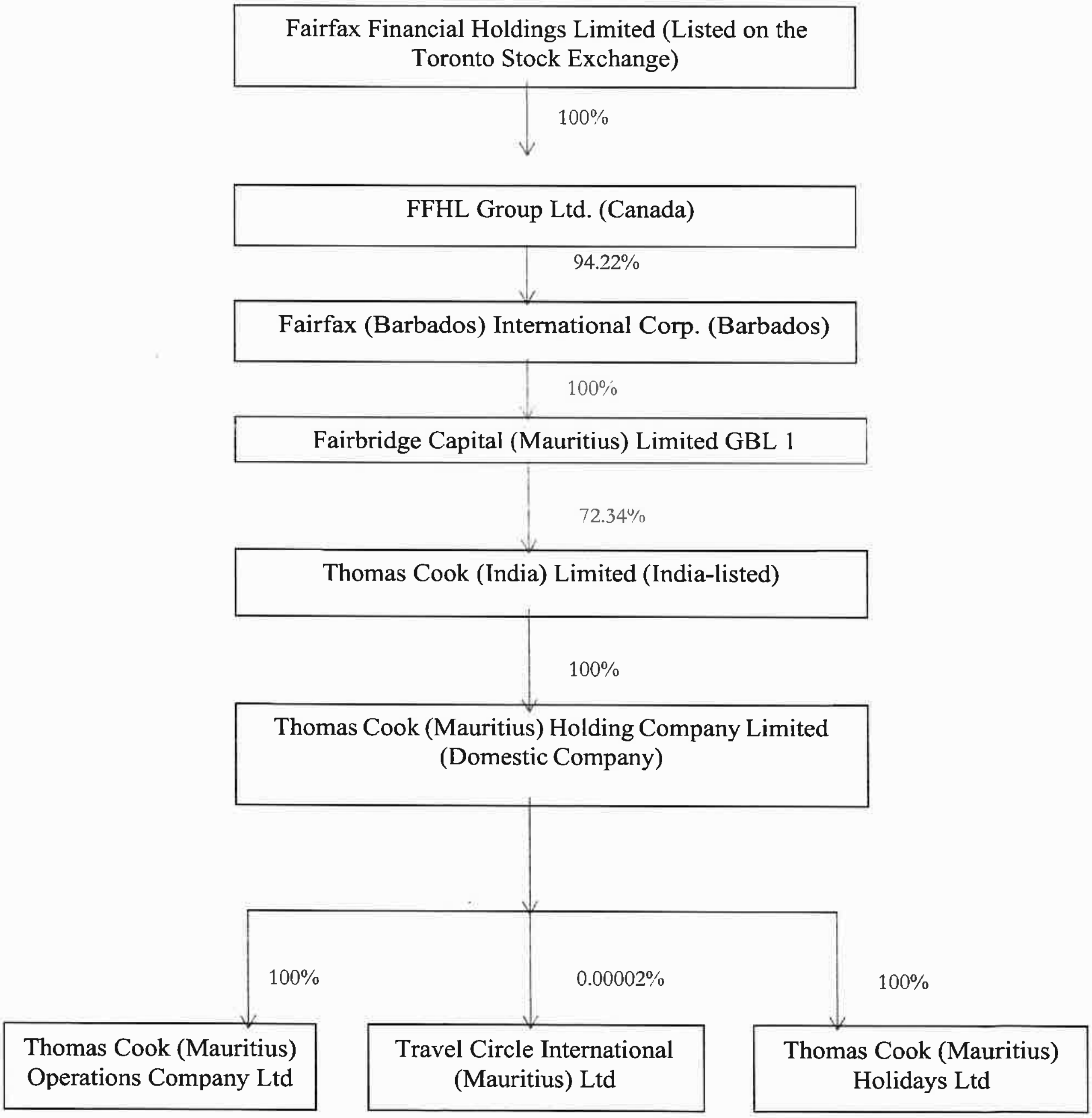
Shareholder	**No of Shares**
Thomas Cook (Mauritius) Holding Company Ltd	648,149
Total Number of Shares	**648,149**

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT (Contd)

Report on Corporate Governance (Contd)

SHAREHOLDING STRUCTURE (Contd)



THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT (Contd)

Report on Corporate Governance (Contd)

BOARD AND DIRECTORS

Structure of the Board

The board's structure of the Company is a unitary Board which is collectively accountable and responsible for the long-term success of the Company. The Board provides effective leadership and strategic guidance towards the achievement of the Company's strategy within a framework of effective controls and risk management, alongside ensuring adherence of the Company to relevant legislations. The directors of the Company share responsibility for directing and promoting its affairs collectively when acting on behalf of the Company.

Composition of the Board

The Board currently is comprised of one (1) Executive Director, three (3) Non-Executive Directors and three (3) Independent-Directors.

Attendance at Board Meetings:

	13/05/2022	30/08/2022	15/11/2022	07/02/2023
Chairperson				
Lovinia Devina Ouma PERTAB (Independent Director)	✓	✓	✓	✓
Chief Operating Officer/Executive Director				
Mohinder DYALL	✓	✓	✓	✓
Independent Director				
Dr. Vidisha RAMLUGUN	✓	✓	✓	✓
Selvida NAIKEN	✓	✓	✓	✓
Non-Executive Directors				
Madhavan MENON	✓	✓	×	✓
Debasis NANDY	✓	✓	✓	×
Mahesh Chandran IYER	✓	✓	✓	✓

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT (Contd)

Report on Corporate Governance (Contd)

BOARD AND DIRECTORS (Contd)

Directors' Profile

Mr. Mohinder DYALL – Executive Director

He joined the Company in September 2013 as the Chief Operating Officer. He holds a Post Graduate Diploma in marketing from the Chartered Institute of Marketing and an MSc E-Business from the University of Mauritius. He is both a member of the Chartered Institute of Marketing (CIM) and a Chartered Marketer from the same Institute. He is the former Chief Operations Officer at Flemingo Duty Free Mauritius Ltd and Chief Executive Officer at Mauritius Duty Free Paradise Ltd.

He was appointed director of Thomas Cook (Mauritius) Operations Company Limited on the 4th September 2013.

Mr Madhavan MENON - Non-Executive Director

Mr Madhavan Menon joined Thomas Cook India in 2000 as the Executive Director responsible for the Foreign Exchange business and stepped up to the position of Managing Director in January 2006; Chairman and Managing Director in January 2016. He completed his MBA from George Washington University and undergraduate degree from American University of Beirut.

Mr. Menon has a varied background, having commenced his career in Banking at Grindlays Bank, Citibank and Emirates Bank and in Birla Sun Life Asset Management Company. Mr. Menon is a member of the Board of Thomas Cook (India) Ltd and holds directorships in various subsidiaries of the Company. He is also the Chairman of the Fairfax India Charitable Foundation that focusses on bringing down the cost of treating kidney related ailments in the country. During his tenure, Thomas Cook India has made several acquisitions, making it the largest travel and related services company in India and has expanded the global footprint of the Group to cover twenty- one countries across four continents, with operations in Australia, China, ASEAN, South Asia, Middle East, Southern Africa, Eastern Africa and North America.

He was appointed director of Thomas Cook (Mauritius) Operations Company Limited on the 8th March 2019.

Mr. Debasis NANDY – Non- Executive Director

He is a Chartered Accountant and a Finance Professional. He is also an associate member of the Institute of Chartered Accountants of India. Mr. Debasis has been part of the Executive Development Programme at Wharton and London Business School.

He has been with Thomas Cook India since 2008 and is presently the President & Group Chief Financial Officer. Moreover, he has over 30 years of diverse experience in the field of Finance & Accounts, with stints at Piramal Healthcare, Aviva, ICI and Indian Aluminium. He is responsible for and oversees the Finance and Accounts function of Thomas Cook India Group companies, which span across four continents and twenty-four countries.

With his expertise and diverse experience, Mr Nandy plays a significant role in the performance of the Company and is a key member of the Group Management Committee. He was appointed director of Thomas Cook (Mauritius) Operations Limited on the 17th December 2018.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT (Contd)

Report on Corporate Governance (Contd)

BOARD AND DIRECTORS (Contd)

Directors' Profile (Contd)

Mr. Mahesh Iyer – Non- Executive Director

Mr. Iyer joined Thomas Cook India Ltd. in 1994 and worked at different roles in the FX business and lead the strategy division before stepping up to the position of Chief Operating Officer Foreign Exchange in January 2016 and eventually Chief Executive Officer and Executive Director as from May 29, 2018.

Mr. Iyer completed his Executive Program in Business Management from the Indian Institute Management of Kolkata and master's degree in marketing management from Jamnalal Bajaj Institute of Management Studies. Mr. Iyer is a member on the Board of Director of Thomas Cook (India) Ltd and is responsible for the company's business result across its various verticals, management of key relationships, as well as, in building a sustainable growth-oriented organization that maximizes value for all its shareholders.

Mr. Iyer also holds directorships in the various subsidiaries of the company. He has already been a member of the Board of the Directors of Thomas Cook (Mauritius) Operations Ltd. for the period March 2013 to March 2019.

Mrs. Lovania Devina Ouma PERTAB - Independent Director

Mrs Pertab is a barrister by profession. She holds a Masters in Law from University of La Réunion, France and a postgraduate diploma in International Environment Law from the University of Limoges, France. She is also the holder of a post graduate diploma in Ocean Laws and Policy.

She has worked as Principal State Council at the State Law Office of Mauritius and has served as Magistrate in both Mauritius and the Republic of Seychelles.

In the past fifteen years, she has worked in the private sector as in house lawyer namely in the aviation sector, the banking sector and in the commercial field. She is now the Chairperson of Transparency Mauritius and has been a Director in its board for more than two years. She was appointed director of Thomas Cook (Mauritius) Operations Company Limited on the 1st April 2019 and is also a member of the Audit and Risk Management Committee.

Mrs. Dr. Vidisha RAMLUGUN – Independent Director

Mrs. Ramlugun is a Senior Lecturer from the Department, Finance and Accounting, Faculty of Law and Management at the University of Mauritius. She holds a Ph.D. in Corporate Governance from the Open University of Mauritius, an MSc International Banking and Finance from University of Greenwich, London and a BSc (Hons) Accounting and Finance from the University of Mauritius. She is a member of Chartered Institute of Secretaries and Administrators as well as a member of the Mauritius Institute of Directors. As part of her interest, Mrs. Ramlugun carried out research in corporate governance matters. Furthermore, she actively produces working papers on various themes for publications and conferences.

She was appointed director of Thomas Cook (Mauritius) Operations Company Limited on the 12th April 2021 and is also the Chairperson of the Audit and Risk Management Committee since 15th November 2021.

ANNUAL REPORT (Contd)
Report on Corporate Governance (Contd)

BOARD AND DIRECTORS (Contd)

Directors' Profile (Contd)

Mrs. Selvida Naiken- Independent Director

Mrs Naiken holds an MSc in Business Administration with Specilisation in Marketing, a Diploma in Social Work and Certificates in Quality Assurance and Corporate Governance. She is also a fellow member of the Association of Chartered and Certified Accountants (ACCA). She has over twenty- five years of experience in the Public Sector occupying various posts such as Probation Officer and Senior Accountant in various ministries. She joined the Financial Reporting Council in 2007 as Chief Executive Officer, body which regulates auditors, reviews Annual Reports of Public Interest Entities and ensures compliance with corporate governance in line with the National Code of Corporate Governance.

She is now the Director of Compliance at Sotravic Ltee and chairs its Risk Management and Audit Committee.

She was appointed director of Thomas Cook (Mauritius) Operations Company Limited on the 29th March 2022.

Role and function of the Board

The board is the decision-making body for all matters material to the Company's finances, strategy and reputation. It is collectively responsible for the long- term success of the Company and has ultimate responsibility for management, direction and performance of the company and its businesses. The board is required to exercise objective judgement on all corporate matters and is accountable to shareholders for the proper conduct of the business. The board has also delegated specific responsibility to the Audit and Risk Management Committee.

There is a defined division of responsibilities between the Non-Executive Chairman and the Chief Operating Officer.

Role and Function of the Chairman

The Chairman is responsible to manage and provide leadership to the Board of Directors. He is accountable to the Board and acts as a direct liaison between the board and the management of the Company through the Chief Operating Officer. The Chairman also acts as the communicator for board decisions where appropriate.

Role and Function of the Chief Operating Officer

The Chief Operating Officer ("COO") is responsible for leading the development and execution of the Company's long-term strategy with a view to creating shareholder value. The COO's leadership role also entails being ultimately responsible for all day-to day management decisions and for implementing the Company's long- and short-term plans.

ANNUAL REPORT (Contd)

Report on Corporate Governance (Contd)

BOARD AND DIRECTORS (Contd)

Role of the Non-Executive director and of the Independent Director

The Non-Executive Director and the Independent Director make a significant contribution to the functioning of the board, are involved in policy making and planning exercise. They ensure that no one individual or group dominates the decision-making process.

Directors' Duties and Responsibilities

The Directors exercise care, skill and due diligence in dealing with the business affairs of the Company and work with the management to take objective decisions in the interest of the Company. The Company Secretary keeps Directors informed of their duties as per the Companies Act 2001.

Role and function of the Company Secretary

The Company Secretary manages the provision of timely, accurate and considered information to the board and ensure that the board maintains its awareness of the ever-changing corporate governance environment. The Company Secretary attends every board meeting and committee meeting.

Conflicts of interests

Each Director ensures that no decision or action is taken that places his interests in front of the interests of the business. At each board meeting a director is required to disclose any actual or potential conflicts of interests.

Remuneration of directors

The board decided to allocate an aggregate amount of Rs. 15,000 as remuneration and benefits to the independent directors for each quarterly meeting.

BOARD EFFECTIVENESS

Nomination process

The board recognises the importance of having a formal and transparent process for the nomination and appointment of directors.

The nomination and appointment process of directors is as follows:

- Identification of candidates
- Interviews conducted
- Board approval of candidate
- Regulatory approval
- Election at Annual/Special Meeting
- Letter of appointment
- Regulatory filing

BOARD EFFECTIVENESS (Contd)

Board Induction and Professional Development

All new directors receive a full, formal and tailored induction on joining the board, including meetings with senior management and visits to the company's operational locations. The board recognizes that its directors have a diverse range of experience, and so it encourages them to attend external seminars and briefings that will assist them individually. The Company also regularly organises training programmes for the Directors to ensure that they keep pace with the fast-moving governance and regulatory environment, with a focus on AML/CFT particularly.

Board Evaluation

The Board recognises that a continuous and constructively critical evaluation of their performance is a powerful feedback mechanism for improving board effectiveness, maximising strengths and highlighting areas for further development.

Succession Planning

The Board of Directors is responsible to review Board succession plans for Directors and seeking to refresh the Board membership as and when it deems necessary.

The Board of Directors also ensures that the Company has succession planning for its Executive Directors and key management personnel, including appointing, training and mentoring successions. The Board of Directors reviews contingency arrangements for any unexpected incapacity of the Chief Operating Officer or any of the top management personnel and ensures that procedures are in place to ensure a transition to a full operational management team.

Board Meetings

At each meeting, the Board receives regular reports covering current operations and Management Accounts. At certain points in the year, the Board reviews results of the operations, budgets, capital expenditure, risks and audited financial statements and also reviews other topics such as technical or legal developments and the competitive environment as appropriate. As a consequence of the lockdown due to the COVID19 pandemic, the board met four (4) times this year instead of the planned 4 times.

BOARD COMMITTEES - Audit and Risk Management Committee

The board has a standing Audit and Risk Management Committee (the "Committee"). The Committee reports to the Board. The Audit and Risk Management Committee charter was reviewed and approved by the Board on the 13th January 2022. The minutes of the Committee Meetings are circulated and reviewed by the board.

BOARD COMMITTEES - Audit and Risk Management Committee (Contd)

The main duties and responsibilities of the Audit and Risk Management Committee are:

1.1 The basic responsibility of the members of the Audit and Risk Management committee is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the company and its shareholders. In discharging that obligation, members should be entitled to rely on the honesty and integrity of the Company senior executives and its outside advisors and auditors, to the fullest extent permitted by law.

1.2 The board authorises the Audit and Risk Management Committee, within the scope of its responsibilities to:

(a) perform activities within the scope of this charter.
(b) investigate any activity it deems appropriate
(c) appoint independent advisers and professionals (accountants, lawyers and so on) as it deems necessary to carry out its duties.
(d) instruct any officer or employee of the company to attend any meetings and provide pertinent information as necessary and appropriate.
(e) have unrestricted access to members of management, employees and relevant information.
(f) establish procedures regarding accounting, internal controls and auditing matters
(g) establish procedures for the receipt and treatment of audit observations received by the company regarding accounting controls and auditing matters.
(h) make recommendations to the board in relation to the appointment, termination and remuneration of external auditors and evaluate the work of the latter.
(i) review the performance of the external auditors and exercise final approval on the appointment or discharge of the auditors.
(j) pre-approve all audit services fees and terms as well as review policies for the provision of non-audit services by the external auditors.

Membership of the Committee

The members of the Committee during the year were Mrs. Vidisha Ramlugun (Committee Chairperson); Mrs. Lovania Devina Ouma Pertab and Ms. Selvida Naiken.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT (Contd)

Report on Corporate Governance (Contd)

BOARD COMMITTEES – Audit and Risk Management Committee (Contd)

Attendance at Committee:

	13/05/2022	30/08/2022	15/11/2022	07/02/2023
Mrs. Vidisha RAMLUGUN	✓	✓	✓	✓
Mrs. Lovania Devina Ouma PERTAB	✓	✓	✓	✓
Ms. Selvida NAIKEN	✓	✓	✓	✓

The Chief Operating Officer, General Manager-Finance, General Manager-Forex Exchange, the Senior Manager –Compliance/MLRO, the BPIA are de-facto attendees at the Audit and Risk Management Committee. The Internal and External auditors attend meetings by invitation.

RISK MANAGEMENT, INTERNAL CONTROL, AND INTERNAL AUDIT

Internal Audit and Internal Control

The scope of the internal audit function is to assist the Board and management to maintain and improve the process by which risks are identified and managed, and to help the board to discharge its responsibilities and to maintain and strengthen the internal control framework.

During the year under review the board has outsourced the internal audit function to BDO & Co., assisted by the BPIA.

Risk Management

The Board of directors has overall responsibility for the Company's risk management and the process in place in relation to the identification, evaluation and management of the significant risks faced by the company in compliance with the Corporate Governance Code.

The risk management mechanism in place includes:

- A system for the on-going identification and assessment of risks; and
- Communication of risk management across all levels of organisation

The Financial Risk Management is outlined on pages 41 to 47 of the audited financial statements.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT (Contd)

Report on Corporate Governance (Contd)

INFORMATION GOVERNANCE

The Company lays emphasis on the confidentiality, integrity, availability and protection of information backed by the Information Technology (IT) systems. For fulfilling its obligations, the Board is supported by the Audit and Risk Management Committee.

ACCOUNTING AND AUDITING

Auditors

The auditors' fees charged (exclusive of VAT) by Baker Tilly for audit and other services were:

	2022 (Rs)	2021 (Rs)
Audit fees	450,000	325 000
Other services*	80,000	65000
TOTAL	530,000	390,000

*Other services comprise of tax services and review of Company's internal control system.

INTEGRATED SUSTAINABILITY REPORT

Ethics and business conduct

The Company is committed to a Code of Business Conduct and Ethics which sets out the business practices and personal ethics for all its employees. The Code of Business Conduct and Ethics was approved by the Board of Directors on 18 November 2015.

Health and Safety Policy

The Company is committed to ensure a risk-free and healthy working environment through the provision and maintenance of a safe workspace and system of work through appropriate information, instruction, training and supervision and effective communication.

The Company commits to comply with the provisions of the Occupational Safe and Health Act of 2005 and the relevant Regulations.

The Company ensures that health and safety standards are a key issue in its organisation. Communication and consultation at all levels in the organisation take place to ensure that health and safety are maintained and improved where necessary.

Training and Development Policy

The Company ensures that the employees are trained and become sufficiently experienced to the extent necessary to competently and effectively undertake their assigned duties and responsibilities. It is also the aim of the Company to encourage the employees to make the most of learning opportunities to realize their own personal and enjoyment of their job.

The Company attempts to create a learning environment where employees are prepared to accept change, develop new skills and take responsibility for their own continuous learning in collaboration with their head of department and the Executive director, to ensure their effective contribution to the successful achievement of both their personal goals.

Equal Employment Opportunity Policy

In order to provide equal employment and advancement opportunity to all individuals, employment decision in the Company is based on merit, qualifications and abilities. The Company does not discriminate in employment opportunities or practices based on race, colour, religion, sex, national origin, age or any other characteristic protected by law.

This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training.

Any employee of the Company with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of their head of department or their Manager. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination would be subject to disciplinary action and may result into termination of employment.

Corporate Social Responsibility (CSR)

The Company recognises that it has a responsibility to be involved in social issues which do not necessarily relate to the welfare of its own employees.

The Company believes that CSR can also help to improve the perception of the Company amongst its employees, particularly when they become involved through fundraising activities, community volunteering or other relevant activities.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT (Contd)

Report on Corporate Governance (Contd)

COMMUNICATION AND DISCLOSURE

Related Party Transaction

Related party transactions are disclosed in Note 24 of the audited financial statements.

Constitution

The Company's constitution is in conformity with the provisions of the Companies Act 2001.

Dividend Policy

The payment of dividends is subject to the performance of the Company, its cash flow, its investments requirements and its solvency test.

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.

Donations

The Company has not made donations during the year ended 31 March 2023 (2022: Nil).

Directors' Remuneration

During the year ended 31 March 2023, remuneration paid to the directors by the Company are as follows:

	2023 (Rs)	2022 (Rs)
Non-Executive Independent directors - sitting fee	195,000	105,000
Executive director	3,129,209	3,116,7

Approved by the board of directors on 08 MAY 2023 .... and signed on its behalf by:

Director

Director

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS.

Directors acknowledge their responsibilities for:

(i) Adequate accounting records and maintenance of effective internal control systems.

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period and which comply with International Financial Reporting Standard (IFRS).

(iii) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) International Financial Reporting Standards have been adhered to and comply with the Companies Act 2001 and the Financial Reporting Act 2004. Any departure has been disclosed, explained and quantified;

(iv) The financial statements have been prepared on the going concern basis.

Acknowledgement

The Board would like to thank all employees for their continued dedication and loyalty.

ON BEHALF OF THE BOARD

Director | Director

Name: LOVANIA PETTAR | Name: SELVIDA NAIKEN

Date: 08 MAY 2023

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

THOMAS COOK OPERATIONS COMPANY LIMITED

Reporting period: Year ended 31 March 2023

We, the Directors of THOMAS COOK OPERATIONS COMPANY LIMITED, confirm, to the best of our knowledge that the Company has complied with the Corporate Governance Code for Mauritius (2016). The Company has applied all the principles set out in the Code and has explained how these principles have been applied.

Signed by:

Chairperson

Name: LOVANIA PERTAB

Date: 0 8 MAY 2023

Director SELVIDA NAIKEN

Name:

Thomas Cook (Mauritius) Operations Company Limited

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

We certify, to the best of our knowledge and belief, that the Company has 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 2023.

Executive Services Limited
Per Didier Angseesing

for **Executive Services Limited**
Secretary

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

Date: 06 MAY 2023

bakertilly
4th Floor Eagle House
Ebène 72201, Mauritius

T: +230 460 8800
BRN: F07000610
info@bakertilly.mu
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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 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.

In our opinion, the accompanying financial statements on pages 23 to 60 give a true and fair view of the financial position of the Company as at 31 March 2023, 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our opinion is not modified in this respect.

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 that comply 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.

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.

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

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

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.

- 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.

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.

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

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: 08 MAY 2023

Sin C. LI, CPA, CGMA

Licensed by FRC

Thomas Cook (Mauritius) Operations Company Limited

Statement of financial position as at 31 March 2023

	Notes	2023 Rs	2022 Rs
Assets			
Non-current			
Plant and equipment	7	**10,496,196**	8,485,964
Intangible assets	8	**46,440**	91,932
Rights-of-use assets	9	**14,878,934**	17,517,868
Deferred tax assets	22	**2,570,008**	1,825,736
Non-current assets		**27,991,578**	27,921,500
Current			
Investment in treasury bills	10	**55,791,181**	54,558,410
Trade and other receivables	11	**4,842,337**	11,153,140
Cash and cash equivalents	12	**54,209,841**	17,339,630
Current assets		**114,843,359**	83,051,180
Total assets		**142,834,937**	110,972,680
Equity and liabilities			
Equity			
Stated capital	13	**64,814,900**	64,814,900
Retained earnings		**16,516,250**	(6,245,111)
Gratuity benefit deficits		**89,300**	(130,000)
Total equity		**81,420,450**	58,439,789
Liabilities			
Non-current			
Gratuity obligations	14	**2,002,647**	2,235,647
Lease liabilities	16	**5,361,163**	14,444,876
Non-current liabilities		**7,363,810**	16,680,523
Current			
Trade and other payables	17	**12,147,936**	27,551,870
Borrowings	15	**32,358,938**	6,009,301
Lease liabilities	16	**8,696,053**	2,291,197
Tax liability	22	**847,750**	-
Current liabilities		**54,050,677**	35,852,368
Total liabilities		**61,414,487**	52,532,891
Total equity and liabilities		**142,834,937**	110,972,680

Approved by the Board of Directors on 08 MAY 2023 and signed on its behalf by:

Director **Director** **Chief Operating Officer**

The notes on pages 27 to 60 form an integral part of these financial statements.

Thomas Cook (Mauritius) Operations Company Limited

Statement of comprehensive income for the year ended 31 March 2023

	Notes	2023 Rs	2022 Rs
Net gains from foreign currency dealings and net foreign exchange differences	18	**73,243,187**	27,014,542
Other operating income	19	**14,587,127**	6,295,341
Sundry income		**-**	223,149
Administrative expenses		**(62,979,242)**	(40,599,394)
Operating profit/(loss)	23	**24,851,072**	(7,066,362)
Finance income	20	**564,575**	571,194
Finance costs	21	**(2,589,508)**	(1,358,745)
Net finance costs		**(2,024,933)**	(787,551)
Profit/(Loss) before tax		**22,826,139**	(7,853,913)
Tax (payable)/credit	22	**(64,778)**	527,291
Profit/(Loss) for the year		**22,761,361**	(7,326,622)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Deferred tax	22	**(38,700)**	(50,250)
Actuarial loss on gratuity benefit obligations	14	**258,000**	335,000
Other comprehensive income for the year, net of tax		**219,300**	284,750
Total comprehensive income/(loss) for the year		**22,980,661**	(7,041,872)

The notes on pages 27 to 60 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 2023

	Stated capital Rs	Retained earnings Rs	Gratuity benefit deficits Rs	Total Rs
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 loss 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**
At 01 April 2021	64,814,900	1,131,761	(465,000)	65,481,661
Shares bought back				
Transaction with the shareholder				
Loss for the year	-	(7,326,622)	-	(7,326,622)
Other comprehensive income:				
Deferred tax	-	(50,250)	-	(50,250)
Actuarial loss on gratuity benefit obligations	-	-	335,000	335,000
Total comprehensive income for the year	-	(7,376,872)	335,000	(7,041,872)
At 31 March 2022	64,814,900	(6,245,111)	(130,000)	58,439,789

The notes on pages 27 to 60 form an integral part of these financial statements.

Thomas Cook (Mauritius) Operations Company Limited

Statement of cash flows for the year ended 31 March 2023

	2023 Rs	2022 Rs
Operating activities		
Profit/(Loss) before tax	**22,826,139**	(7,853,913)
Adjustments for:		
Depreciation	**10,302,883**	6,804,581
Amortisation	**54,117**	153,320
Gratuity benefit obligations	**554,000**	308,000
Interest income	**(564,575)**	(569,273)
Interest expense	**2,589,508**	1,200,149
Total adjustments	**12,935,933**	7,896,777
Net changes in working capital:		
Change in trade and other receivables	**6,310,803**	2,565,522
Change in trade and other in payables	**(15,403,934)**	22,368,598
Total changes in working capital	**(9,093,131)**	24,934,120
Interest received	**392,555**	310,561
Interest paid	**(1,905,717)**	(1,200,149)
Net cash generated from operating activities	**25,155,779**	24,087,396
Investing activities		
Purchase of plant and equipment	**(3,400,628)**	(627,965)
Employee contributions	**(529,000)**	(67,000)
Net cash used in investing activities	**(3,929,628)**	(694,965)
Financing activities		
Additions in investment in treasury bills	**77,473,300**	55,931,177
Repayment of investment in treasury bills	**(78,534,051)**	(54,996,654)
Payment of lease liabilities	**(3,362,648)**	(4,202,882)
Additions in ROU	**(6,282,178)**	263,839
Change in borrowings	**26,349,637**	(11,469,962)
Net cash generated from/(used in) financing activities	**15,644,060**	(14,474,482)
Net change in cash and cash equivalents	**36,870,211**	8,917,949
Cash and cash equivalents at beginning of the year	**17,339,630**	8,421,681
Cash and cash equivalents at end of the year (Note 12)	**54,209,841**	17,339,630
Cash and cash equivalents made up of:		
Cash in hand and cash at bank (Note 12)	**54,209,841**	17,339,630
Bank overdrafts (Note 15)	**(24,295,581)**	(6,009,301)
	29,914,260	11,330,329

For reconciliation of liabilities arising from financing activities, refer to Note 26.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

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 April 2022:

- Amendments to IAS 16 Property, Plant and Equipment- Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 April 2022.

Amendments to IAS 16 Property, Plant and Equipment- Proceeds before Intended Use

The amendments to IAS 16 Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of Property, Plant and Equipment any proceeds received from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the entity will recognise such sales proceeds and related cost in the profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether the asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. Therefore, the financial performance of the asset is not relevant to this assessment. The entity must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

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

In accordance with the transitional provisions, the entity applies the amendments retrospectively only to items of Property, Plant and Equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts – Cost of Fulfilling a Contract

IAS 37 Provisions, Contingent Liabilities and Contingent Assets defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs directly related to contracts activities (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets apply for annual periods beginning on or after 1 April 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

In accordance with the transitional provisions, the entity applies the amendments prospectively, i.e., to business combinations occurring after the annual periods beginning on or after 1 April 2022 in which it first applies the amendments (the date of initial application).

Annual Improvements to IFRS Accounting Standards 2018-2020

The Annual Improvements to IFRS Accounting Standards 2018-2020 include amendments to four standards:

(a) IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

Notes to the financial statements

For the year ended 31 March 2023

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

Annual Improvements to IFRS Accounting Standards 2018-2020 (Cont'd)

(b) IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

(c) IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example (non-obligatory part of IFRS), so no effective date is stated.

(d) IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The above-mentioned amendments did not have any major impact on the Company's financial statements for the year ended 31 March 2023.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

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

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
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments – Disclosure of Accounting Policies)	1 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)	1 January 2023
IAS 12 Income Taxes (Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023
Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17)	1 January 2023
IAS 1 Presentation of Financial Statements (Amendments– Classification of Liabilities as Current or Non-current)	1 January 2024
IFRS 16 Leases (Amendments- Lease Liability in a Sale and Leaseback)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendments– Non-current Liabilities with Covenants)	1 January 2024
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Amendments - Sale or contribution of assets between an investor and its associate or joint venture)	Defer the effective date of the September 2014 amendments to these standards indefinitely

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 significant 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").

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

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 period-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.

The average exchange rates for the main foreign currencies against MUR for the year were as follows:

Currency	*Average exchange rate*
United States Dollar	44.85
Euro	48.78
Great Britain Pound	55.39

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.

Notes to the financial statements

For the year ended 31 March 2023

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 4 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.

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"); and
- fair value through other comprehensive income ("FVOCI").

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of significant accounting policies (Cont'd)

3.5 Financial instruments (Cont'd)

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

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 trade 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 investment in treasury bills, cash and cash equivalents and most trade and 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'. 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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of significant accounting policies (Cont'd)

3.5 Financial instruments (Cont'd)

Subsequent measurement of financial assets (Cont'd)

Impairment of financial assets (Cont'd)

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.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings, 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 an impairment. 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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of significant accounting policies (Cont'd)

3.8 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.

3.9 Equity and reserves

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

Retained earnings 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 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.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of significant accounting policies (Cont'd)

3.10 Income tax (Cont'd)

(iv) Government Wage Assistance Scheme (GWAS)

In March 2020, the Government of the Republic of Mauritius announced the Government Wage Assistance Scheme ("GWAS") to ensure that all employees in the private sector are duly paid their salary during the lockdown period. Employers who have benefited from GWAS will be liable to a COVID-19 Levy.

Employers should effect payment of the monthly salary as usual and in case their business has been adversely affected by COVID-19 and the lockdown in the Republic of Mauritius, they may after payment of the salary, apply to the Mauritius Revenue Authority (MRA) for financial support under GWAS. Under GWAS, a business entity in the private sector is entitled to receive in respect to its wage bill as from the month of March 2020, an amount equivalent to 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 12,500 of assistance per employee. A company which has benefited from GWAS will be liable to a COVID-19 levy (Levy). The Levy payable is capped at the lower of the financial support obtained under the GWAS or 15% of the chargeable income of the company. A company will not be subject to the levy if it is not liable to tax.

3.11 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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of significant accounting policies (Cont'd)

3.12 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.

3.13 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.

3.13.1 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.

3.13.2 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.

3.13.3 Interest income

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

3.14 Leased assets

The Company has applied IFRS 16 using the modified retrospective approach.

3. Summary of significant accounting policies (Cont'd)

3.14 Leased assets (Cont'd)

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 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 (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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of significant accounting policies (Cont'd)

3.14 Leased assets (Cont'd)

The Company as a lessee (Cont'd)

Measurement and recognition of leases as a lessee (Cont'd)

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.

3.15 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.

3.16 Expense recognition

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

3.17 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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of significant accounting policies (Cont'd)

3.18 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.

Impact of Covid-19

In January 2020, the World Health Organisation has declared the outbreak of a novel coronavirus (Covid-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The Directors have considered the potential adverse impact of Covid-19 on the Company's activities and have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the Directors have considered the Company's current and future performance, the global economic conditions, government support schemes, financial support from related parties and other risks that could affect the Company. Detailed analysis of the impact of Covid-19 on the Company's activities is provided in Note 4.4 to these financial statements.

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 2,002,647** (2022: Rs 2,235,647).

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of significant accounting policies (Cont'd)

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

Estimation uncertainty (Cont'd)

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.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

The Board of Directors with the assistance of management has assessed the risks of Covid-19 and their potential impact on the Company based on the information available at time of assessment and the results of the assessment are provided in Note 4.4.

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

	2023 Rs	2022 Rs
Financial assets		
Current		
Investment in treasury bills	**55,791,181**	54,558,410
Trade and other receivables*	**1,434,152**	8,505,726
Cash and cash equivalents	**54,209,841**	17,339,630
Total financial assets	**111,435,174**	80,403,766
Financial liabilities		
Non-current		
Lease liabilities	**5,361,163**	14,444,876
Current		
Trade and other payables**	**11,676,936**	27,551,870
Borrowings	**32,358,938**	6,009,301
Lease liabilities	**8,696,053**	2,291,197
	52,731,927	35,852,368
Total financial liabilities	**58,093,090**	50,297,244

**Trade and other receivables considered as financial assets exclude prepayments and deposits.*
***Trade and other payables considered as financial liabilities exclude TDS.*

4.1 Market risk analysis

Foreign exchange risk

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.

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

4.1 Market risk analysis (Cont'd)

Foreign exchange risk (Cont'd)

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

	Financial assets		Financial liabilities	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
MUR	**82,967,410**	68,901,019	**58,093,090**	44,287,943
USD	**6,298,236**	6,942,163	-	-
EURO	**21,155,548**	3,062,117	-	6,009,301
GBP	**980,179**	505,747	-	-
Others	**33,801**	992,720	-	-
	111,435,174	80,403,766	**58,093,090**	50,297,244

Foreign currency sensitivity

The information below illustrates the sensitivity of loss and equity in regard to the Company's financial instruments and the USD/MUR, EURO/MUR and GBP/MUR exchange rates, "all other things being equal".

It assumes a 10% change in the USD/MUR, EURO/MUR and GBP/MUR exchange rate for the year ended 31 March 2023 (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 2,843,395** at 31 March 2023 (2022: Rs 450,072). If the MUR had weakened by the same percentage against these foreign currencies, equity would have increased by **Rs 2,843,395** (2022: 450,072).

	2023		2022	
	Loss	Equity	Loss	Equity
	Rs	Rs	Rs	Rs
USD	**629,823**	**(629,823)**	694,216	(694,216)
EURO	**2,115,554**	**(2,115,554)**	(294,718)	294,718
GBP	**98,018**	**(98,018)**	50,574	(50,574)
	2,843,395	**(2,843,395)**	450,072	(450,072)

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.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

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 60,738** (2022: Rs 15,023) on the operating cash flows and equity.

4.2 Credit risk analysis

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

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

	2023 Rs	2022 Rs
Financial assets		
Current		
Investment in treasury bills	**55,791,181**	54,558,410
Trade and other receivables	**1,434,152**	8,505,726
Cash and cash equivalents	**54,209,841**	17,339,630
Total	**111,435,174**	80,403,766

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 nil.

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.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

Risk management objectives and policies (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.

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 2023	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	1-5 years Rs
Financial liabilities				
Trade and other payables	11,676,936	11,676,936	11,676,936	-
Borrowings	32,358,938	32,358,938	32,358,938	-
Lease liabilities	14,057,216	14,057,216	5,361,163	8,696,053
	58,093,090	**58,093,090**	**49,397,037**	**8,696,053**

31 March 2022	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	1-5 years Rs
Financial liabilities				
Trade and other payables	27,551,870	27,551,870	27,551,870	-
Borrowings	6,009,301	6,009,301	6,009,301	-
Lease liabilities	16,736,073	16,736,073	2,291,197	14,444,876
	50,297,244	50,297,244	35,852,368	14,444,876

4.4 Risks related to the Covid-19 pandemic

The lockdown that the Government of Mauritius announced towards the end of last financial year because of the Covid-19 pandemic lasted up to 01 June 2020 during the current year and a second wave of infectious cases resulted in another lockdown being imposed as from 09 March 2021.

Management has made a revised assessment of Covid-19 impact on the Company's current and future performance and the results of the assessment are provided below.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

4.4 Risks related to the Covid-19 pandemic (Cont'd)

Credit risk

The business model of 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.

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.

Cash flow and liquidity management

Under normal circumstances the main inflow of funds is from income from foreign exchange transactions, MoneyGram transactions and telegraphic business. With the persistent impact of Covid-19, it is expected that the cash flow will remain affected since many clients will themselves suffer from a fall in their own revenue and will be on the defensive to transact more freely, thus a low level of income is expected. However, the Directors consider that at this stage the Company will be in a position to meet its obligations with a high level of liquid asset.

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

4.4 Risks related to the Covid-19 pandemic (Cont'd)

Going concern of the Company

As at the date of this report, the Directors consider that it is difficult to reliably estimate the financial effect of the virus on the Company considering the high level of uncertainties in the economy and the ensuing impact. The Directors assessed the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to Covid-19, which is at least, but is not limited to, twelve months from the date of approval of these financial statements and confirmed that that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the Directors have considered the Company's current and future performance, the financial support of its holding company, the global economic conditions and other risks that could affect the Company.

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.

	2023	**2022**
	Rs	**Rs**
Total borrowings (Note (i))	**46,416,154**	22,745,374
Less: cash and cash equivalents	**(54,209,841)**	(17,339,630)
Net debt	**(7,793,687)**	5,405,744
Total equity (Note (ii))	**81,420,450**	58,439,789
Total capital	**73,626,763**	63,845,533
Gearing ratio	**(10.6%)**	8.47%

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

(ii) Equity includes both capital and reserves.

Notes to the financial statements

For the year ended 31 March 2023

5. Capital management policies and procedures (Cont'd)

(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 2023, the Company's total equity stood at **Rs 81,420,450** (2022: Rs 58,439,789) 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, deposits, 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.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements
For the year ended 31 March 2023

7. Plant and equipment

	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	1,381,771
Disposals adjustment	(143,957)	(60,140)	(149,587)	-	(353,683)
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

Notes to the financial statements

For the year ended 31 March 2023

7. Plant and equipment (Cont'd)

	Office Equipment Rs	Computer Equipment Rs	Furniture and Fittings Rs	Motor Vehicles Rs	Total Rs
Cost					
At 01 April 2021	6,363,277	6,779,605	9,711,937	2,445,000	25,299,819
Additions	153,305	229,756	386,095	-	769,156
Disposals	(408,821)	(272,275)	(61,223)	-	(742,319)
At 31 March 2022	6,107,761	6,737,086	10,036,809	2,445,000	25,326,656
Depreciation					
At 01 April 2021	3,018,730	6,187,857	4,868,982	1,803,165	15,878,734
Charge for the year	287,157	497,787	586,254	284,460	1,655,658
Disposals adjustment	(239,271)	(424,120)	(30,309)	-	(693,700)
At 31 March 2022	3,066,616	6,261,524	5,424,927	2,087,625	16,840,692
Net book values					
At 31 March 2022	3,041,145	475,562	4,611,882	357,375	8,485,964

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

8. Intangible assets

	2023 Rs	2022 Rs
Cost		
At 01 April	**5,769,728**	5,769,728
Addition	**8,625**	-
At 31 March	**5,778,353**	5,769,728
Amortisation		
At 01 April	**5,677,796**	5,524,476
Charge for the year	**54,117**	153,320
At 31 March	**5,731,913**	5,677,796
Net book values		
At 31 March	**46,440**	91,932

9. Rights-of-use assets

	2023 Rs	2022 Rs
Cost		
At 01 April	**34,276,045**	16,979,428
Remeasurement adjustment	**-**	-
Additions	**6,282,178**	17,296,617
At 31 March	**40,558,223**	34,276,045
Depreciation		
At 01 April	**16,758,177**	11,516,866
Remeasurement adjustment	**-**	-
Charge for the year	**8,921,112**	5,241,311
At 31 Marc	**25,679,289**	16,758,177
Net book values		
At 31 March	**14,878,934**	17,517,868

10. Investment in treasury bills

	2023 Rs	2022 Rs
At 01 April	**54,558,410**	54,689,439
Purchased during the year	**78,534,051**	54,299,698
Redeemed during the year	**(77,645,787)**	(55,000,000)
Interest element	**344,507**	569,273
At 31 March	**55,791,181**	54,558,410

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

10. Investment in treasury bills (Cont'd)

At 31 March 2023, the Company held treasury bills through financial institutions with maturity dates of 29 July 2022, 09 September 2023, 04 October 2025, 25 August 2023 and 03 December 2026 and interest rates between 0.88% - 5.21%. The total face value of the treasury bills is Rs 135M.

11. Trade and other receivables

	2023 Rs	2022 Rs
Trade receivables (Note (i))	**489,840**	425,000
Due from a related party (Note (ii))	**325,260**	7,755,593
Rental and other deposits	**1,574,216**	1,491,729
Other receivables and prepayments	**2,453,021**	1,480,818
	4,842,337	11,153,140

(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 its amount due from the related party as this item does 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.

12. Cash and cash equivalents

	2023 Rs	2022 Rs
Cash at bank:		
Local currency	**1,301,814**	1,907,529
Foreign currency	**28,498,870**	8,084,606
Cash in hand:		
Local currency	**14,719,828**	3,890,462
Foreign currency	**9,689,329**	3,457,033
Cash at bank and in hand	**54,209,841**	17,339,630
Bank overdrafts (Note 15)	**(24,295,581)**	(6,009,301)
Total	**29,914,260**	11,330,329

Notes to the financial statements

For the year ended 31 March 2023

13. Stated capital

	2023 Rs	2022 Rs
At 01 April and 31 March	**64,814,900**	64,814,900

The number of shares at 31 March 2023 is 648,149 with a face value of Rs 100 each.

14. Gratuity obligations

The Company has recognised gratuity obligations of **Rs 2,002,647** (2022: Rs 2,235,647) 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.

	2023 Rs	2022 Rs
Reconciliation of gratuity obligations		
At 01 April	**2,235,647**	1,994,647
Amount recognised in profit or loss	**554,000**	643,000
Amount recognised in other comprehensive income	**(258,000)**	(335,000)
Employee contributions	**(529,000)**	(67,000)
At 31 March	**2,002,647**	2,235,647
Reconciliation of present value of gratuity obligations		
At 01 April	**2,302,647**	1,994,647
Current service costs	**465,000**	589,000
Interest expense	**103,000**	54,000
Liability experience loss/(gain)	**(27,000)**	-
Liability loss due to change in demographic assumptions	**(14,000)**	200,000
Liability loss due to change in financial assumptions	**(258,000)**	(535,000)
At 31 March	**2,571,647**	2,302,647
Reconciliation of fair value of plan assets		
At 01 April	**67,000**	-
Interest income	**14,000**	-
Benefits paid	**(27,000)**	-
Return on plan assets excluding interest income	**(14,000)**	-
Employer contributions	**529,000**	67,000
At 31 March	**569,000**	67,000
Components of amount recognised in profit or loss		
Current service costs	**465,000**	589,000
Past service costs	-	-
Net interest on net defined benefit liability	-	-
	465,000	589,000

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

14. Gratuity obligations (Cont'd)

Components of amount recognised in other comprehensive income

	2023 Rs	2022 Rs
Return on plan assets (above)/below interest income	**14,000**	-
Liability experience loss/(gain)	**(14,000)**	200,000
Liability loss due to change in financial assumptions	**(258,000)**	(535,000)
	(258,000)	335,000

Principal assumptions used at end of year		
Discount rate	**6.60%**	4.50%
Rate of salary increases	**4.50%**	2.8 %
Average retirement age	**60**	60

Sensitivity analysis on gratuity obligations at end of year		
Increase due to 1% decrease in discount rate	**287,000**	276,000
Decrease due to 1% increase in discount rate	**243,000**	233,000

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 778,000.
(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, except for data adjustments.

15. Borrowings

	2023 Rs	2022 Rs
Current		
Borrowings	**8,063,357**	-
Bank overdrafts (Note 12)	**24,295,581**	6,009,301
Total borrowings	**32,358,938**	6,009,301

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

16. Lease liabilities

The Company's lease liabilities concern rental of buildings.

During the current financial year, the Company has recognised 9 leases (for rental of buildings) as finance leases as the contractual terms of these leases meet the definition of finance lease under IFRS 16 "Leases".

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

	2023 Rs	2022 Rs
At 01 April	**16,736,073**	3,168,533
Payments during the year	**(3,362,648)**	13,095,297
Interest accrued	**683,791**	472,243
At 31 March	**14,057,216**	16,736,073
Split between:		
Non-current	**5,361,163**	14,444,876
Current	**8,696,053**	2,291,197
	14,057,216	16,736,073

Future minimum lease payments at 31 March 2023 were as follows:

	Within 1 year Rs	1 – 5 years Rs	Total Rs
31 March 2023			
Lease payments	**13,373,425**	-	**13,373,425**
Finance charges	**683,791**	-	**683,791**
Net present values	**14,057,216**	-	**14,057,216**

	Within 1 year Rs	1 – 5 years Rs	Total Rs
31 March 2022			
Lease payments	16,263,830	-	16,263,830
Finance charges	472,243	-	472,243
Net present values	16,736,073	-	16,736,073

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

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

Notes to the financial statements

For the year ended 31 March 2023

16. Lease liabilities (Cont'd)

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 3.14) and payments made under such leases are expensed on a straight-line basis.

17. Trade and other payables

	2023 Rs	2022 Rs
Trade payables	**2,191,746**	20,417,963
Due to intermediate holding company (Note (i))	**1,786,904**	2,118,577
Accruals and other payables	**8,169,286**	5,015,330
	12,147,936	27,551,870

(i) 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.

19. Other operating income

	2023 Rs	2022 Rs
Income from pick-up and delivery of foreign currencies to banks, net of import charges	**519,241**	249,142
Net income on telegraphic transfers (Note (i))	**(1,508,121)**	(1,996,543)
Other revenue	**5,418,741**	-
Commission received on MoneyGram transactions	**10,157,266**	8,042,742
	14,587,127	6,295,341

(i) The income from telegraphic transfers (TT) is net of commitment fees that the Company incurred upon renegotiating its contract with its TT service provider. The renegotiation was required upon resuming TT activity in prior years.

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

20. Finance income

	2023 Rs	2022 Rs
Bank interest	**220,068**	-
Interest received on treasury bills	**344,507**	571,194
	564,575	571,194

21. Finance costs

	2023 Rs	2022 Rs
Interest on bank overdrafts	**1,905,717**	886,502
Interest on lease liabilities	**683,791**	472,243
	2,589,508	1,358,745

22. Taxation

(i) Income tax

The Company is liable to income tax at the rate of 15% and at 31 March 2023 it had tax liability of Rs 847,750 (2022: nil).

(ii) Tax payable/(credit)

	2023 Rs	2022 Rs
Movement in current tax liability	**847,750**	-
Movement in deferred taxation	**(744,272)**	(477,042)
Total	**103,478**	(477,042)

(iii) Income tax reconciliation

The tax charge 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:

	2023 Rs	2022 Rs
Profit/(Loss) before tax	**22,826,139**	(7,853,913)
Tax at 15%	**3,423,921**	(1,178,087)
Non-allowable items	**241,543**	199,592
Movement on deferred taxation – profit and loss	**(782,972)**	(527,291)
Movement on deferred taxation - OCI	**38,700**	50,250
Exempt income	**-**	(640,482)
Tax loss utilised	**(2,817,714)**	-
Unutilised tax losses	**-**	1,618,976
Tax expense/(credit)	**103,478**	(477,042)

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

22. Taxation (Cont'd)

(iv) Deferred taxation

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

Deferred tax assets amounting to **Rs 2,570,008** at 31 March 2023 (2022: deferred tax assets Rs 1,825,736) has been recognised in the financial statements. The movement in deferred tax liabilities is as follows:

	2023 Rs	2022 Rs
At 01 April	**1,825,736**	1,348,694
Movement during the year	**744,272**	477,042
At 31 March	**2,570,008**	1,825,736

The deferred tax assets are made up of:

	2023 Rs	2022 Rs
Accelerated capital allowances	**385,358**	1,064,592
Accumulated tax losses	**(2,654,969)**	(2,554,981)
Gratuity obligations	**(300,397)**	(335,347)
Total	**(2,570,008)**	(1,825,736)

23. Operating Profit/(loss)

	2023 Rs	2022 Rs
Operating Profit/(loss) is arrived at after charging/(crediting):		
Depreciation	**10,302,884**	6,722,077
Amortisation	**54,116**	174,892
Rental expenses	**1,257,036**	1,938,212
Security charges	**3,001,771**	1,789,835
Telephone and connectivity charges	**1,979,711**	1,981,098
Licences	**351,901**	1,309,805
Audit fees and other fees	**423,197**	402,501
Staff costs:		
Salaries and allowances	**17,847,520**	9,033,195
Social security costs	**1,696,745**	1,302,557
Other employee benefits	**6,033,693**	3,064,511

Thomas Cook (Mauritius) Operations Company Limited

Notes to the financial statements

For the year ended 31 March 2023

24. Related party transactions

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

Nature of relationship	Nature of transactions	Volume of transactions Rs	Debit/(credit) balances at 31 March 2023 Rs	Debit/(credit) balances at 31 March 2022 Rs
Intermediate holding company	Payables	**(331,673)**	**1,786,904**	2,118,577
Fellow subsidiary	Receivables	**(7,430,333)**	**325,260**	7,755,593

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 March 2023	Opening balance Rs	Cash flows Rs	Non-cash changes Rs	Closing balance 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**

31 March 2022	Opening balance Rs	Cash flows Rs	Non-cash changes Rs	Closing balance Rs
Lease liabilities	19,362,495	(4,202,882)	1,576,460	16,736,073
Bank overdrafts	1,956,300	(11,469,952)	3,504,351	(6,009,301)
	21,318,795	(15,672,834)	5,080,811	10,726,772

Notes to the financial statements

For the year ended 31 March 2023

27. 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, held 340,258,798 equity shares of INR 1 each representing a 72.34% stake in Thomas Cook (India) Limited as on 31 March 2023.

28. Events after the reporting date

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

Travel Circle International (Mauritius) Ltd

FINANCIAL STATEMENTS
YEAR ENDED
31 March 2023

Travel Circle International (Mauritius) Ltd

Contents

Travel Circle International (Mauritius) Ltd

Corporate data

			Date appointed
Directors	:	Mr Mohinder Dyall	26 May 2017
		Ms Sangeeta Bissessur	11 September 2018
Company Secretary	:	Apex Mauritius Apex House, Bank Street TwentyEight Cybercity Ebene 72201 Republic of Mauritius	
Registered Office	:	C/o Apex Mauritius Apex House, Bank Street TwentyEight Cybercity Ebene 72201 Republic of Mauritius	
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 4th Floor, Hiranandani Signature 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	

Travel Circle International (Mauritius) Ltd

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 2023.

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 (2022: 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 judgements 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 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 willingness to continue in office.

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 2023.

***for* APEX Financial Services (Mauritius) Ltd**
Company Secretary

Registered Office:
Apex House, Bank Street
TwentyEight Cybercity
Ebene 72201
Republic of Mauritius

Date: 11 May 2023

4th Floor Eagle House
Ebène 72201, Mauritius

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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 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.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our opinion is not modified in this respect.

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 that comply 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.

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.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Travel Circle International (Mauritius) Ltd

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

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.

- 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.

Other information

The directors are responsible for the other information. The other information comprises the corporate information, 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.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Travel Circle International (Mauritius) Ltd

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: 11 May 2023

Sin C. LI, CPA, CGMA

Licensed by FRC

Travel Circle International (Mauritius) Ltd

Statement of financial position as at 31 March 2023

	Notes	2023 USD	2022 USD
Assets			
Non-current			
Investments in subsidiaries	7	**24,606,816**	24,606,816
Non-current assets		**24,606,816**	24,606,816
Current			
Loans	8 (i) (ii)	**61,214,410**	49,258,194
Receivables	9	**78,371**	127,795
Investment in fixed deposits	10	**1,605,775**	1,566,260
Cash and cash equivalents	11	**406,526**	536,460
Current assets		**63,305,082**	51,488,709
Total assets		**87,911,898**	76,095,525
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		**(3,749,198)**	(3,098,499)
Total equity		**26,293,808**	26,944,507
Liabilities			
Non-current liabilities			
Borrowings	14	-	5,000,000
Current			
Borrowings	14	**61,343,123**	43,948,151
Payables	15	**274,967**	202,867
Current liabilities		**61,618,090**	44,151,018
Total liabilities		**61,618,090**	49,151,018
Total equity and liabilities		**87,911,898**	76,095,525

Approved by the Board on 11 May 2023 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 2023

	Notes	2023 USD	2022 USD
Income			
Interest income		**3,766,026**	1,399,680
Net foreign exchange gains		**(549,090)**	(103,027)
Total income		**3,216,936**	1,296,653
Expenditure			
Legal expenses		-	4,814
Professional fees		**141,764**	194,119
Fines		**347**	2,717
Other expenses		**22,529**	27,399
Audit fees		**4,838**	3,169
Accounting fees		**12,000**	12,000
Processing fees		**65,000**	65,000
Corporate guarantee fees		**38,544**	37,533
Interest expense	14(iii)	**3,582,613**	2,029,219
Total expenditure		**3,867,635**	2,375,970
Loss before tax		**(650,699)**	(1,079,317)
Tax expense	16	-	-
Loss for the year		**(650,699)**	(1,079,317)
Total comprehensive loss for the year		**(650,699)**	(1,079,317)

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 2023

	Stated capital USD	Share premium USD	Optionally convertible redeemable preference shares USD	Accumulated losses USD	Total USD
At 01 April 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**
At 01 April 2021	4,133,001	5	25,910,000	(2,019,182)	28,023,824
Loss for the year	-	-	-	(1,079,317)	(1,079,317)
Total comprehensive loss for the year	-	-	-	(1,079,317)	(1,079,317)
At 31 March 2022	4,133,001	5	25,910,000	(3,098,499)	26,944,507

The notes on pages 12 to 33 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of cash flows for the year 31 March 2023

	Notes	2023 USD	2022 USD
Operating activities			
Loss before tax		**(650,699)**	(1,079,317)
Adjustments for:			
Interest income		**(3,766,026)**	(1,399,680)
Interest expense		**3,582,613**	2,029,219
Operating loss before working capital changes		**(834,112)**	(449,778)
Changes in working capital:			
Change in payables		**72,100**	(41,190)
Change in receivables		**49,424**	64,999
Total changes in working capital		**121,524**	23,809
Net cash used in operating activities		**(712,588)**	(425,969)
Investing activities			
Investment in fixed deposits	10	**(39,515)**	(1,504,108)
Fixed deposits redeemed	10	-	1,504,543
Net cash (used in)/generated from investing activities		**(39,515)**	435
Financing activities			
Loans from related parties		**3,300,000**	3,316,671
Loans to related parties		**(11,666,054)**	(14,072,128)
Repayment of borrowings – related parties		**(1,453,217)**	(5,792,445)
Repayment of borrowings - bank		**(5,000,000)**	(5,000,000)
Additions in borrowings		**15,763,213**	21,690,000
Interest paid		**(497,639)**	(353,431)
Interest received		**175,866**	-
Net cash generated from/(used in) financing activities		**622,169**	(211,333)
Net change in cash and cash equivalents		**(129,934)**	(636,867)
Cash and cash equivalents, at beginning of the year		**536,460**	1,173,327
Cash and cash equivalents, at end of the year		**406,526**	536,460
Cash and cash equivalents made up of:			
Cash at bank	11	**406,526**	536,460

For reconciliation of liabilities arising from financing activities, refer to **Note 18.**

The notes on pages 12 to 33 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2023

1. General information and statement of compliance with the 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 Commission. The Company's registered office is Apex House, Bank Street, TwentyEight Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The Company holds investments in subsidiaries, and is required to present consolidated financial statements. In accordance with the Fourteeth Schedule of the Mauritius Companies Act, Section 212, 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 the financial statements, these financial statements present the financial position, financial performance and cash flow of the Company.

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 2022:

• Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts – Cost of Fulfilling a Contract

• Annual Improvements to IFRS Accounting Standards 2018-2020

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 April 2022.

<u>Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts – Cost of Fulfilling a Contract</u>

IAS 37 Provisions, Contingent Liabilities and Contingent Assets defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs directly related to contracts activities (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets apply for annual periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2023

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

In accordance with the transitional provisions, the entity applies the amendments prospectively, i.e., to business combinations occurring after the annual periods beginning on or after 1 April 2022 in which it first applies the amendments (the date of initial application).

Annual Improvements to IFRS Accounting Standards 2018-2020

The Annual Improvements to IFRS Accounting Standards 2018-2020 include amendments to four standards:

(a) IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

(b) IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

(c) IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example (non-obligatory part of IFRS), so no effective date is stated.

(d) IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The above-mentioned amendments did not have any major impact on the Company's financial statements for the year ended 31 March 2023 .

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2023

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

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**
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments – Disclosure of Accounting Policies)	1 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)	1 January 2023
IAS 12 Income Taxes (Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023
Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17)	1 January 2023
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
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Amendments - Sale or contribution of assets between an investor and its associate or joint venture)	Defer the effective date of the September 2014 amendments to these standards indefinitely

The Company is in the process of making an assessment of the impact of these amendments, new standards and new interpretations are 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.

Notes to the financial statements

For the year ended 31 March 2023

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 subsidiaries

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.

The Company does not present consolidated financial statements as it is wholly-owned by a parent company (see Note 7.4).

3.3 Foreign currency

Functional and presentation currency

The financial statements are presented in currency 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 remeasurement 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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

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.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.8 Financial instruments (Continued)

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"); and
- 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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.8 Financial instruments (Continued)

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.

3.10 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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

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.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

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.

Impact of COVID-19 and going concern

In January 2020, the World Health Organisation has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of COVID-19 on the Company's investment activities and have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the holding companies' financial capacity to provide continuing financial support to the Company, future investment strategies of the group and global economic conditions.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.14 Significant management judgements in applying accounting policies and estimation uncertainties (Continued)

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. 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.

Impairment of investments in subsidiaries

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.

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

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

	2023 USD	2022 USD
Financial assets		
Current		
Loans	**61,214,410**	49,258,194
Cash and cash equivalents	**406,526**	536,460
Current assets	**61,620,936**	49,794,654
Total financial assets	**61,620,936**	49,794,654

	2023 USD	2022 USD
Financial liabilities		
Amortised cost		
Non-current		
Borrowings	-	5,000,000
Current		
Borrowings	**61,343,123**	43,948,151
Payables	**274,967**	202,867
	61,618,090	44,151,018
Total financial liabilities	**61,618,090**	49,151,018

** Financial assets exclude prepayments.*

The most significant financial risks 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").

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.1 Market risks analysis (Continued)

Foreign currency exchange risk (Continued)

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

	Financial assets 2023 USD	Financial assets 2022 USD	Financial liabilities 2023 USD	Financial liabilities 2022 USD
Australian Dollar ("AUD")	**5,983,794**	240,000	-	-
United States Dollar ("USD")	**55,637,142**	49,554,654	**61,618,090**	49,151,018
Total	**61,620,936**	49,794,654	**61,618,090**	49,151,018

It assumes a 10% change in the AUD/USD exchange rates for the year ended 31 March 2023 (2022: 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 decreased by USD 598,379 at 31 March 2023 (2022: loss would have increased by USD 597,770). If the USD had weakened by the same percentage against the foreign currency, profit would have increased by USD 598,379 (2022: profit would have increased by USD 597,770).

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 assets and 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:

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.2 Credit risk analysis (Continued)

	2023 USD	2022 USD
Current		
Loans	**61,214,410**	49,258,194
Cash and cash equivalents	**406,526**	536,460
Current assets	**61,620,936**	49,794,654
Total	**61,620,936**	49,794,654

** Financial assets exclude prepayments.*

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. Furthermore, the holding companies have undertaken to make good any loss suffered by the Company in the event of any default arising out from these loans. 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.

4.3 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.

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.3 Liquidity risk analysis (Continued)

The following are the contractual maturities of financial liabilities:

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**	-

31 March 2022	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Borrowings	48,948,151	48,948,151	43,948,151	5,000,000
Payables	202,867	202,867	202,867	-
	49,151,018	49,151,018	44,151,018	5,000,000

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.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital:

Notes to the financial statements

For the year ended 31 March 2023

5. Capital management policies and procedures (Continued)

	2023 USD	2022 USD
Debt	**56,343,123**	38,939,570
Cash and cash equivalents	**(406,526)**	(536,460)
Net debt	**55,936,597**	38,403,110
Equity	**26,293,808**	26,944,507
Total capital	**82,230,405**	65,347,617
Gearing ratio	**68.02%**	58.77%

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, investment in fixed deposits and prepayments and it did not have any non-financial liabilities.

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.

Notes to the financial statements

For the year ended 31 March 2023

7. Investments in subsidiaries

7.1 Movement during the year

	2023 USD	2022 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	% Holding
Kuoni Australia Holding Pty Ltd	Australia	100%
Asian Trails Holdings Ltd	Republic of Mauritius	100%
Reem Tours and Travel LLC (Note 7.5)	United Arab Emirates	100%
Gulf Dunes LLC (Note 7.5)	United Arab Emirates	100%
Desert Adventures Tourism LLC (Note 7.5)	United Arab Emirates	100%
Kuoni Private Safaris (Pty) Ltd	Republic of South Africa	100%
Private Safaris (EA) Ltd	Kenya	100%
DEI Holdings Limited	United Arab Emirates	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 have been prepared as the directors of the Company have taken advantage of the exemption under the Mauritius Companies Act 2001, which exempts a company holding a Global Business License from preparing consolidated financial statements when it is a wholly owned or a virtually wholly owned subsidiary of any company.

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 (2022: USD nil).

Notes to the financial statements

For the year ended 31 March 2023

8. Loans

	2023 USD	2022 USD
Current		
Loans to related companies (Note (i))	**61,214,410**	49,258,194

(i) The loans are unsecured, receivable within twelve months, partly interest-free and partly bear interest.

(ii) Interest accrued on the loans to related companies for the year amounted to USD 5,431,128 (2022: USD 1,375,848).

(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 and the holding companies have undertaken to make good of any loss suffered by the Company in the event of any default arising out from these loans receivable.

9. Receivables

	2023 USD	2022 USD
Prepayments	**78,371**	127,795

10. Investment in fixed deposits

	2023 USD	2022 USD
At 01 April 2022	**1,566,260**	1,542,429
Investment during the year	-	1,504,108
Redeemed during the year	-	(1,504,543)
Interest element	**39,515**	24,266
At 31 March 2023	**1,605,775**	1,566,260

(i) At 31 March 2023, the Company held fixed deposits with maturity dates of 10 June 2024 and 24 July 2024 and interest rates which vary from 0.1% to 3%.

(ii) Interest accrued on the investment in fixed deposits for the year amounted to USD 39,515 (2022: USD 24,266).

Notes to the financial statements

For the year ended 31 March 2023

11. Cash and cash equivalents

	2023 USD	2022 USD
Cash at bank (USD)	**406,526**	536,460

12.1 Stated capital

	2023 USD	2022 USD
4,133,001 ordinary shares of USD 1 each	**4,133,001**	4,133,001

Balance consists 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).

12.2 Share premium

	2023 USD	2022 USD
Share premium	5	5

13. Optionally convertible redeemable preference shares ("OCRPS")

	2023 USD	2022 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 rights:

- 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.

Notes to the financial statements

For the year ended 31 March 2023

14. Borrowings

	2023 USD	2022 USD
Non-current		
Loans from banks (Note (i))	-	5,000,000
Current		
Loans from banks (Note (i))	**5,012,896**	5,008,581
Loans from related parties (Note (ii))	**56,330,227**	38,939,570
Total current	**61,343,123**	43,948,151
Total borrowings	**61,343,123**	48,948,151

(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.

(ii) The loans from the related parties are interest-bearing, 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 3,582,613 (2022: USD 2,029,219).

15. Payables

	2023 USD	2022 USD
Accruals	**121,347**	87,792
Due to a related party	**153,620**	115,075
Total	**274,967**	202,867

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.

Notes to the financial statements

For the year ended 31 March 2023

16. Taxation (Continued)

16.1 Income tax expense (Continued)

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 2023, the Company had no income tax liability due to accumulated tax losses of USD 1,619,411 (2022: USD 1,725,155) 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:

	2023 **USD**	**2022** **USD**
Loss before tax	**(650,699)**	(1,079,317)
Tax at 3%	**(19,521)**	(32,380)
Non-allowable expenses	**132,502**	57,633
Exempt income	**(90,384)**	(33,592)
Tax loss utilised	**(22,597)**	-
Deferred tax not recognised	-	8,339
Tax expense	-	-

Notes to the financial statements

For the year ended 31 March 2023

17. Related party transactions

During the year ended 31 March 2023, 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 USD	Debit/(credit) balances at 31 March 2023 USD	Debit/(credit) balances at 31 March 2022 USD
Private Safaris East Africa	Borrowings	(363,098)	**(363,098)**	-
Thomas Cook (India) Limited	Borrowings	(17,347,430)	**(55,305,433)**	(37,970,899)
Thomas Cook (Mauritius) Holding Company Limited	Borrowings	306,975	**(661,696)**	(968,671)
Asian Trails Holdings Ltd	Loans	4,150,957	**25,898,708**	21,747,751
DEI Holdings Limited	Loans	7,211,513	**21,661,084**	14,449,571
Desert Adventures Tourism LLC	Loans	1,682,567	**3,712,154**	2,029,587
Kuoni Australia Holding Pty. Ltd	Loans	221,520	**6,644,290**	6,422,770
Private Safaris Africa	Loans	5,894	**1,443,939**	1,438,045
Private Safaris (EA) Ltd	Loans	(282,599)	-	282,599
Horizon Travel Services	Loans	(1,033,636)	**1,854,235**	2,887,871
Thomas Cook (Mauritius) Holding Company Limited	Payables	(38,545)	**(153,620)**	(115,075)
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

2023	At 01 April 2022 USD	Cash flows USD	Non-cash flows USD	At 31 March 2023 USD
Loans from related parties	38,939,570	**17,390,657**	-	**56,330,227**
Loans from banks	10,008,581	**(4,995,685)**	-	**5,012,896**
Total	48,948,151	**12,394,972**	-	**61,343,123**

2022	At 01 April 2021 USD	Cash flows USD	Non-cash flows USD	At 31 March 2022 USD
Loans from related parties	21,366,075	15,897,555	1,675,940	38,939,570
Loans from banks	15,008,735	(5,000,000)	(154)	10,008,581
Total	36,374,810	10,897,555	1,675,786	48,948,151

Notes to the financial statements

For the year ended 31 March 2023

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 and.

21. Events after reporting date

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

DEI USA
Management Accounts
Balance sheet as on 31st Dec'22

Nature	**Acc Group**	**Acc Group Desc**	**G/L acct**	**GL Desc**	**Total**
Assets	211	211-Property Plant and Equipment	21100002	Lease Hold Premises	57,743.60
			21100003	accu D.L.Premises	- 57,073.67
			21100008	Office Equipment	39,755.23
			21100009	ACCU Dep off Equi	- 14,287.92
			21100010	Computers & Printers	1,285,944.69
			21100012	Accu D. Comp & Print	- 790,022.99
			21100015	Furniture & Fixture	245,904.75
			21100016	Accu D. Fur & Fixtur	- 169,090.62
			21100020	Adj Capex Comp	105,146.01
			21100021	Adj Acc Depn Comp	- 3,199.48
			21100024	Accu D. Comp & Print	- 38,516.62
			21100025	Accu D. Fur & Fixtur	- 7,470.17
	212	212-Intangible Assets	21200000	Comp- S. License	21,008.40
			21200001	Accu D Comp- S.L	- 7,815.86
			21200005	Accu D Comp- S.L	- 481.63
	213	213-Capital WIP	21300000	Capital WIP	0.45
	217	217-Inventory	21700000	Inventory Material	442,080.58
			21700001	Invent consumable	- 0.18
			21700006	Inventory Prov for S	1.27
			21700007	Prov for Stk (Man)	- 19,291.85
	218	218-Trade receivables-Unsecured Current	21800000	A/C Rec- inter com	47,356.92
			21800005	Credit Card Control	301,396.29
			21800011	Retail Customer	3,179,005.32
			21800015	Customer Balance Rev	- 209.96
	219	219-Security deposits	21900001	Sec D.P - Rental D.	128,896.70
	221	221-Prepaid Expenses	22100000	Prepaid Expenses	4,803.42
	222	222-Cash and Cash Equivalents	22200000	Petty Cash	10,188.15
			22200005	Cash Control A/C	17,127.62
	223	223-Bank Balance in Current Account	22300340	CITIZ NAT Main-065	27,632.48
			22300350	SMART BK Main-375	14,219.10
			22300360	BK OF AMERIC Main741	1,866,839.19
	224	224-Loans and Advances Given	22400007	Advan To Employee	1,800.00
			22400011	Advance To Vendor	1,225,300.43
			22400030	Recharge I/C DEI Dub	1,649.08
			22400051	Recharge I/C DEI Oth	- 1,946.65
			22400067	Recharge Revaluation	- 0.69
	226	226-Right of Use Assets	22600000	Right of Use Assets	243,359.82
			22600009	Accu Dep- Use A - B	- 170,954.83
Assets Total					**7,986,796.38**
Liabilities	112	112-Reserve and Surplus	11200006	Retained Earnings	7,230,994.32
	116	116-Loans and Advances-Short Term Loan-Unsecured	11600009	Loan from Intercompa	- 5,263,108.20
	118	118-Accounts Payable Control	11800001	Vendor - Services	- 2,951,652.90
			11800002	Vendor domestic(inv)	- 255,421.24
			11800003	Vendor-Import(inv)	- 2,594,919.50
			11800006	Vendor -Others	- 5,464.35
			11800011	Vendor Balance Reval	1,015.36
			11900010	Accruals Clearing	1,232.43
			11900013	Liab for Fixed Asset	- 105,146.01
	120	120-Payable Control (Interim)	12000006	IR/GR Clearing a/c	- 19,056.90
			12000007	Clearing - Freight	- 593.18
			12000016	IR/GR CLR Man	- 586,100.28
	121	121-Duties and Taxes	12100090	Sales Tax Payable	- 173,802.17
			12100093	VAT Bahamas	- 260,725.31
	122	122-Provision for Expenses	12200000	pro for R.share	- 645,047.43
			12200001	pro for exp accrual	- 956,333.47
			12200002	Prov. For Taxation	50.00
			12200004	Pro for Int on Loan	- 1,325,205.85
	123	123-Other Non Current Liabilities	12300000	ROU L lbty - N curt	- 76,517.22
			12400017	Provision - Holiday	- 994.48
Liabilities Total					**- 7,986,796.38**
Grand Total					-

DEI USA
Management Accounts
P&L as on 31st Dec'22

Nature	Acc Group	Acc Group Desc	G/L acct	GL Desc	Total
Income	311	311-Revenue	31100000	Sales- Products	- 16,679,869.31
	312	312-Other Income	31200014	Miscellaneous In	- 14,019.00
Income Total					**- 16,693,888.31**
Expenses	411	411-Revenue Share	41100000	Revenue Share	7,417,032.95
	412	412-Direct Labour	41200000	Salary Basic (Ops)	5,256,904.26
	413	413-Direct Material	41300000	Cost Of Material	970,311.47
			41300015	Inventory Diff - Los	- 139,290.02
	414	414-Direct Marketing and Projects	41400000	Repair & Main - F&F	5,267.10
			41400005	Marketing Material D	19.12
	415	415-Direct IT and Telco	41500000	Repair & Main -IT &	4,545.87
			41500001	Int & Broad Char-Sit	8,888.25
			41500002	Mobile & Tele Exp-Si	176.96
			41500004	Consumables -IT–Site	50,435.39
	416	416-Direct Others	41600000	Ins. Exp -HO & Sites	22,162.66
			41600002	Trade License- Site	20,875.23
			41600003	Sponsorship Fee- Sit	31,369.48
			41600004	Branch License -Site	247.57
			41600007	Post & Cou. Char-Sit	43,731.23
			41600009	Site Expenses Others	38,500.90
	417	417-Direct Depreciation	41700001	Dep-Lease Hold Pre	901.08
			41700003	Dep-Fur & Fixture	43,744.43
			41700006	Dep-Com & Printers	196,745.61
			41700007	Dep- Com Software	2,914.79
			41700008	Dep- Office Equipmen	7,323.37
	418	418-Indirect Labour AandS	41800000	Sal Basic (A&S)	663,851.16
	419	419-Indirect Labour LT	41900000	Salary Basic (LT)	361,503.10
	420	420-Property Costs	42000001	Rnt Exp-Warehouse	57,575.45
			42000004	Elec & Water Charg	1,890.76
			42000009	Office Exp	6,624.14
	421	421-IT and Telco	42100006	IT Outsource Cost	9,000.00
			42100007	Software Expenses	128,012.07
			42100009	IT Consumables	87,133.14
	422	422-Travel & Entertainment	42200013	Expenses - ELT Dept	55,362.78
			42200014	Expenses - BD Dept	60,573.01
			42200016	Expenses - Project D	25,319.61
			42200017	Expenses - Ops Dept	44,835.18
	423	423-Business Operating Fees	42300000	Trade License	140,165.78
	424	424-Marketing and Advertising	42400002	Market Exp- Material	2,182.67
	425	425-Postage and Stationary	42500001	Post & Cou. Char-Sit	17,579.42
	426	426-Legal and Professional	42600000	Legal Expense	3,926.00
			42600001	Prof. Fees Exp	38,820.00
			42600003	Accounting Exp	15,697.00
			42600004	Audit Fees	28,606.51
	427	427-Vehicle Costs	42700002	Vehicle Costs (Other	1,136.76
	429	429-Bank and Credit Card Charges	42900002	Credit Card Charges	221,620.73
			42900003	Bank Charges	24,647.75
	430	430-Interest and Provisions	43000012	Interest Paid	117.00
			43000020	Interest Paid On Loa	250,000.04
	432	432-Depreciation	43200001	Dep- Lease Hold Pre	643.65
			43200003	Dep- Furniture & Fix	1,100.94
			43200004	Dep- Office Equipmen	627.67
	432	432-Depreciation	43200006	Dep- Computers & Pri	11,447.13
			43200008	Lease Payments- Rent	- 46,252.84
			43200009	Interest Expenses RO	5,403.11
			43200011	Dep-Right of Use Ass	43,443.24
	433	433-Rates and Taxes	43300000	Rates & Taxes	4,138.31
			43300002	Penalty & Fine	9,515.10
	434	434-Central Service Fee	43400009	CSF - Dubai	734,021.17
	435	435-Overhead Allocation	43500000	Regional Overhead Ab	287,155.38
	436	436-Corporation Tax	43600000	Income Tax	1,380.10
	437	437-Bonus	43700000	Bonus	46,548.22
	439	439-Un-Realised Foreign Exchange G/L	43900001	Un-Realised	- 804.58
Expenses Total					**17,327,354.36**
Grand Total					**633,466.05**