KME HOLDINGS PTE. LTD.
(UEN: 201328294H)
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021

KME HOLDINGS PTE. LTD.
(UEN: 201328294H)
(Incorporated in Singapore)

FINANCIAL STATEMENTS - 31 MARCH 2021

The directors are pleased to present their statement to the members together with the audited financial statements of KME Holdings Pte. Ltd. (the "Company") for the financial year ended 31 March 2020.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and 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.

Directors

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

Nair Rajiv Chandrashekaran
Chin Joek Poen
Irfan Mustafa

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects 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.

Directors' interests in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50, the directors of the Company who held office at the end of the financial year had no interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditors

The auditors, Robert Yam & Co PAC, have expressed their willingness to accept re-appointment.

Nair Rajiv Chandrashekaran
Director

Irfan Mustafa
Director

1 8 MAY 2021

To the members of KME Holdings Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KME Holdings Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2021, 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 are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 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 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 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.

To the members of KME Holdings Pte. Ltd. (cont'd)

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

To the members of KME Holdings Pte. Ltd. (cont'd)

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

- 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.

Robert Yam & Co PAC

Robert Yam & Co PAC
Public Accountants and
Chartered Accountants
Singapore

18 May 2021

RY/JON/rbm

KME HOLDINGS PTE. LTD.

Statement of Financial Position
As at 31 March 2021

	Note	2021 S$	2020 S$
ASSETS			
Non-current assets			
Investment in a subsidiary	5	20,975,428	19,418,394
Loan to subsidiary	6	688,662	727,369
Current assets			
Cash and cash equivalents	7	28,728	8,688
Total assets		21,692,818	20,154,451
EQUITY AND LIABILITIES			
Equity			
Share capital	8	22,190,685	19,480,707
Accumulated losses		(1,209,802)	(1,209,527)
Total equity		20,980,883	18,271,180
Non-current liabilities			
Loan from a subsidiary	10	-	1,126,737
Loan from holding company	11	704,591	746,033
Current liabilities			
Other payables	9	7,344	10,501
Net current asset/(liabilities)		21,384	(1,813)
Total liabilities		711,935	1,883,271
Net assets		20,980,883	18,271,180
Total equity and liabilities		21,692,818	20,154,451

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

Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 March 2021

	Note	2021 S$	2020 S$
Other income	12	38,807	39,617
Other operating expenses	13	(39,082)	(60,380)
Loss before income tax		(275)	(20,763)
Income tax expense	14	-	-
Net loss, representing total comprehensive income for the year		(275)	(20,763)

Statement of Changes in Equity
For the Financial Year Ended 31 March 2021

	Share capital S$	Accumulated losses S$	Total equity S$
Balance at 1 April 2019	19,480,707	(1,188,764)	18,291,943
Net loss, representing total comprehensive income for the year	-	(20,763)	(20,763)
Balance at 31 March 2020	19,480,707	(1,209,527)	18,271,180
Net loss, representing total comprehensive income for the year	2,709,978	(275)	2,709,703
Balance at 31 March 2021	22,190,685	(1,209,802)	20,980,883

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

Statement of Cash Flows
For the Financial Year Ended 31 March 2021

	Note	2021 S$	2020 S$
Cash flows from operating activities:			
Loss before income tax		(275)	(20,763)
Changes in working capital:			
Other payables		(3,157)	(6,311)
Net cash used in operating activities		(3,432)	(27,074)
Cash flows from investing activity:			
Addition to investment in a subsidiary		(1,557,034)	-
Net cash used in investing activity		(1,557,034)	-
Cash flows from financing activities:			
Proceeds from issuance of ordinary shares		2,709,978	-
Loan to a subsidiary		-	(727,369)
Proceeds from loan from a subsidiary		38,707	-
Proceeds from loan from holding company		-	746,033
Repayment of loan to holding company		(41,442)	-
Proceeds from loan from a subsidiary		-	10,000
Repayment of loan to a subsidiary		(1,126,736)	-
Net cash from financing activities		1,580,506	28,664
Net increase in cash and cash equivalents		20,040	1,590
Cash and cash equivalents at beginning of year		8,688	7,098
Cash and cash equivalents at end of year	7	28,728	8,688

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

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

1. General Information

KME Holdings Pte. Ltd. (the "Company") is a limited liability private company which is incorporated and domiciled in Singapore.

Its registered office is located at 8 Temasek Boulevard, #22-04 Suntec Tower Three, Singapore 038988.

The immediate holding company is Kaya Limited, which is incorporated in India. The principal activity of the Company is that of investment holding.

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 18 May 2021.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Council in Singapore. They are in compliance with the provisions of the Companies Act, Chapter 50.

2.2 Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Basis of presentation

Consolidated financial statements have not been presented as the Company is a wholly owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements. The address of the parent company presenting the Company financial statements is: Kaya Limited 23/C, 2nd Floor, Mahal Industrial Estate, Mahakali Caves Road, near Paper Box Lane, Andheri, Mumbai, India.

3. Significant accounting policies

3.1 Investment in subsidiary

A subsidiary is an entity that is controlled by the Company and the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Company has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the Company controls another entity.

An investment in a subsidiary is accounted for at cost less impairment losses, if any. Impairment loss recognised in profit or loss for a subsidiary is reversed 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 value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

3.2 Impairment of non-financial assets

The Company assesses at each reporting period whether there is an indication that an asset may be impaired. If any indication exists or when an annual impairment test for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value-in-use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation are taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. Significant accounting policies (cont'd)

3.3 Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition, the financial asset or financial liability is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or financial liability.

A financial asset is derecognised 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 entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

Classification and measurement of financial assets

Financial asset classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets 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.

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value.

3. Significant accounting policies (cont'd)

3.5 Provisions

Provisions are recognised when the Company 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Changes in estimates are reflected in profit or loss in the financial year they occur.

3.6 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 at the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or 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.

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.

Deferred income tax is measured:

(a) 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 at the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, 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, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

3. Significant accounting policies (cont'd)

3.7 Foreign currency

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. 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 end of the reporting period are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Management is of the opinion that there is no significant judgment made in applying accounting policies in the current period.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimated impairment of non-financial assets

Investment in a subsidiary is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company considers the guidance of FRS 36 in assessing whether there is any objective evidence or indication that an item of the above assets may be impaired. This assessment requires significant judgment.

If any such objective evidence or indication exists, the recoverable amount of the assets is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value-in-use.

In determining the value-in-use of assets, the Company applies a discounted cash flow model whereby the future cash flows derived from such assets are discounted at an appropriate rate. Forecasts of future cash flows are estimated based on financial budgets and forecasts approved by the management.

5. Investment in a subsidiary

	2021 S$	2020 S$
Shares, at cost:		
Beginning of financial year	19,418,394	19,418,394
Additions	1,557,034	-
End of financial year	20,975,428	19,418,394

Details of the subsidiary are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Cost of investment 2021 S$	Cost of investment 2020 S$	Percentage of equity held 2021 %	Percentage of equity held 2020 %
Held by the Company						
Kaya Middle East FZE	U. A. E.	Skin care and cosmetic products	20,975,428	19,418,394	100	100

6. Loan to a subsidiary

	2021 S$	2020 S$
Loan to a subsidiary	688,662	727,369

7. Cash and cash equivalents

	2021 S$	2020 S$
Cash at bank	28,728	8,688

8. Share capital

Issued and fully paid	2021 No. of ordinary shares	2021 S$	2020 No. of ordinary shares	2020 S$
Beginning of financial year	19,480,707	19,480,707	19,480,707	19,480,707
Shares issued	2,709,978	2,709,978	-	-
End of financial year	22,190,685	22,190,685	19,480,707	19,480,707

8. Share capital (cont'd)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The Company has one class of ordinary shares which carry one vote per share without restriction. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company.

During the financial year, the Company issued additional 2,709,978 ordinary shares for a total cash consideration of S$2,709,978 to its immediate holding company for provide additional working capital. The newly issued shares rank pari passu in all respects with the previously issued shares.

9. Other payables

	2021 S$	2020 S$
Accruals	7,344	4,700
Amount due to non-related parties	-	5,801
	7,344	10,501

Amount due to non-related parties are unsecured, non-interest bearing and are repayable on demand.

10. Loan from a subsidiary

	2021 S$	2020 S$
Loan from a subsidiary	-	1,126,737

Loan from subsidiary are unsecured, non-interest bearing with no fixed terms of repayment. The loans are not expected to be repaid within the next twelve months from the end of the reporting period. Fair value information has not been disclosed for loan from subsidiary because fair value cannot be measured reliably as the loans have no fixed terms of repayment.

Loan from subsidiary is denominated in United States Dollar.

11. Loan from holding company

	2021 S$	2020 S$
Loan from holding company	704,591	746,033

12. Other income

	2021 S$	2020 S$
Interest income	36,494	17,114
Foreign exchange gain	2,313	22,503
	========	========

13. Other operating expenses

The following items have been included in arriving at other operating expenses:

	2021 S$	2020 S$
Audit fee	6,856	4,700
Foreign exchange loss	-	35,425
Professional fee	1,075	4,054
Interest on borrowing	30,542	15,837
Bank charges	609	364
	========	========

14. Income tax expense

	2021 S$	2020 S$
Reconciliation of effective tax rate:		
Loss before tax	(275)	(20,763)
	========	========
Tax calculated at statutory tax rate of 17% (2020: 17%)	(48)	(3,530)
Expenses not deductible for tax purposes	48	3,530
Income not subject to tax	-	-
Income tax expense	-	-
	========	========

15. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	2021 S$	2020 S$
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	28,728	8,688
	========	========

15. Categories of financial assets and liabilities (cont'd)

	2021 S$	2020 S$
Financial liabilities		
Financial liabilities measured at amortised cost:		
Other payables	7,344	10,501
Loan from holding company	704,591	746,033
Loan from a subsidiary	-	1,126,737
	711,935	1,883,271

Further quantitative disclosures are included throughout these financial statements.

16. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, currency risk and liquidity risk.

The board of directors reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from cash and cash equivalents. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing only with high credit quality counterparties.

Credit risk refers to the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash and cash equivalents. The Company minimises credit risk by dealing only with high credit quality counterparties.

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

16. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings.

Financial assets that are past due and/or impaired

The Company does not have any class of financial assets that are past due and/or impaired.

(b) Currency risk

Currency risk arises when transactions are denominated in foreign currencies. The Company transactional currency exposures arising from sales or purchases that are denominated in a currency other than SGD. The currencies giving rise to this risk is primarily United States Dollar (USD). At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

Sensitivity analysis for foreign currency risk

The following table demonstrates the effects arising from the net financial asset position to a reasonably possible change in the USD exchange rate against SGD, with all other variables including tax rate being held constant.

	2021 Profit after tax S$	2020 Profit after tax S$
USD/SGD – strengthened 7% (2020: 7%)	(925)	(1,083)
USD/SGD – weakened 7% (2020: 7%)	925	1,083

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages its liquidity risk by maintaining an adequate level of cash and cash equivalents. The directors are satisfied that funds are available to finance the operations of the Company.

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

16. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	1 year or less S$	Over 1 year S$	Total S$
2021			
Other payables	7,344	-	7,344
Loan from holding company	-	704,591	704,591
Loan from a subsidiary	-	-	-
	7,344	704,591	711,935
2020			
Other payables	10,501	-	10,501
Loan from holding company	-	746,033	746,033
Loan from a subsidiary	-	1,126,737	1,126,737
	10,501	1,872,770	1,883,271

17. Fair value of financial instruments

The carrying amounts of cash and cash equivalents and other payables are reasonable approximation of fair values due to their short-term nature.

18. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Company consists of its share capital and accumulated losses as shown in the statement of financial position.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2021 and 2020. The Company's overall strategy remained unchanged from 2020.

19. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Company are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
	Amendments to References to the Conceptual Framework in FRS Standards
FRS 1	Amendments to Presentation of Financial Statements
FRS 8	Amendments to Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)
FRS 109	Amendments to Financial Instruments
FRS 107	Amendments to Financial Instruments: Disclosures (Interest Rate Benchmark Reform)

20. New standards and interpretations not yet adopted

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Company for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

Description	Effective for annual periods beginning on or after
Amendments to FRS 16: Property, Plant and Equipment (Proceeds before Intended Use)	1 April 2022
Amendments to FRS 37: Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)	1 April 2022
Annual Improvements to FRSs 2018 – 2020	1 April 2022
Amendments to FRS 1: Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)	1 April 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

The annexed detailed profit or loss account does not form part of the statutory accounts and therefore it is not covered by the independent auditor's report. It is not necessary to file the detailed profit or loss account with the Accounting & Corporate Regulatory Authority.

KME HOLDINGS PTE. LTD.
(Incorporated in Singapore)

Detailed Trading and Profit and Loss Account
For the Financial Year Ended 31 March 2021

	2021 S$	2020 S$
OTHER INCOME		
Foreign exchange gain	2,313	22,503
Interest income	36,494	17,114
	38,807	39,617
Less: OPERATING EXPENSES		
Audit fee	6,856	4,700
Bank charges	609	364
Foreign exchange loss	-	35,425
Professional fees	1,075	4,054
Interest payable	30,542	15,837
	39,082	60,380
Loss for the year before tax	(275)	(20,763)

KAYA MIDDLE EAST FZE

Financial statements and independent auditor's report
Year ended 31 March 2021

KAYA MIDDLE EAST FZE

Financial statements and independent auditor's report
Year ended 31 March 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of KAYA MIDDLE EAST FZE

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **KAYA MIDDLE EAST FZE** (the "Establishment"), which comprise the statement of financial position as at 31 March 2021, 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 give a true and fair view of the financial position of the Establishment as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the U.A.E., 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.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matter**
Revenue	
The Establishment reported a revenue of AED 71 million from skin care treatments and aesthetics, and providing related advisory services.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following:

continued...

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Tel +9714 3888 900, Fax +9714 355 2070, Email dubai@pkfuae.com, www.pkfuae.com

Key audit matters	How our audit addressed the key audit matters
We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	• obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports); • reviewing the control environment and testing of internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing the design, implementation and the operating effectiveness of the relevant controls; • testing of IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the year; • performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the year; • selected a sample of transactions before and after the year to verify recognition in the current reporting period; • reviewing key reconciliations performed by the Revenue Assurance team; • performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with IFRSs; and • assessing the disclosures in the financial statements relating to revenue as per the requirements of IFRSs.

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<table>
<tr><th colspan="2">Impairment of goodwill</th></tr>
<tr><td>As at 31 March 2021, the Establishment has goodwill aggregating to AED 1.49 million. As required by IAS 36 – Impairment of Assets, the Establishment is required to test goodwill acquired in a business combination for impairment at least annually irrespective of whether there is any indication of impairment.

An impairment is recognised on the statement of financial position when the recoverable amount is less than the net carrying amount in accordance with IAS 36, as described in note 3 to the financial statements.

The determination of the recoverable amount is mainly based on discounted future cash flows. We considered the impairment of goodwill to be a key audit matter, given the method for determining the recoverable amount and the significance of the amount in the Establishment's financial statements.

In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections, the estimate of the discount rates and long-term growth rates.</td><td>Our audit procedures performed in relation to the assessment of impairment of goodwill included, but were not limited to, the following:

• understanding the business process for the impairment assessment, identifying the relevant internal controls and testing their design, implementation and operating effectiveness of controls over the impairment assessment process, including indicators of impairment;
• evaluating whether the cash flows in the models used by management to calculate the recoverable value are in accordance with IAS 36 Impairment of Assets;
• obtaining and analysing the approved business plans for each such asset (or CGU, as applicable) to assess accuracy of the computations and the overall reasonableness of key assumptions;
• comparing actual historical cash flow results with previous forecasts to assess forecasting accuracy;
• assessing the methodology used by the Establishment to estimate the Weighted Average Cost of Capital (WACC) and benchmarking that with discount rates used by other similar businesses external sector related guidelines;
• benchmarking assumptions on long term growth rates of local GDP and long-term inflation expectations with external sources of data published by global monetary agencies, and benchmarking the values with market multiples where applicable;
• performing sensitivity analysis on the key assumptions used by management to understand the extent to which these assumptions need to be adjusted before resulting in additional impairment loss;
• involvement of our internal valuation experts to support us in assessing the assumptions and methodologies used by the Establishment, in particular, those relating to discount rates and forecasted revenue growth for the cash generating units; and
• assessing the adequacy of the disclosures in the financial statements as per IFRS, and about those assumptions, to which the outcome of the impairment test is most sensitive.</td></tr>
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Impairment of Property plant and equipment	
As at 31 March 2021, the Establishment has property plant and equipment aggregating to AED 36.68 million as disclosed in note 6 to the financial statements. In accordance with IAS 36 - Impairment of Assets, the Establishment is required to test the property, plant and equipment for impairment if indicators of impairment are present. As disclosed in note 3 (a), the Establishment's accounting policy is to measure the property, plant and equipment at depreciated historical cost less impairment, if any. These assets are depreciated on a straight-line basis over their estimated useful life, to an estimated residual value at the end of its useful economic life. The estimation of residual value is a key management judgment in the application of Establishment's accounting policy on depreciation and, therefore, any changes to residual value will directly impact the depreciation charge for the current and future years. Management also needs to consider if there are any impairment indicators in accordance with IAS 36 - Impairment of Assets such as the deterioration in current or forecast trade activity, the incurrence of losses or other factors indicating that the assets may be impaired. If there are impairment indicators, management needs to perform an impairment test and write down the value of assets where the recoverable amount is lower than the carrying value. An impairment is recognised on the statement of financial position when the recoverable amount is less than the net carrying amount in accordance with IAS 36. The determination of the recoverable amount is based on discounted future cash flows and fair value less cost to sell (whichever is higher).	Our audit procedures included an assessment of the design and implementation of controls over the impairment analysis and calculations. We tested the design and operating effectiveness of relevant controls to determine the accuracy and completeness of provision for impairment. This included testing: • Management review of impairment assessment annually including calculations performed and assumptions used for consistency; and • Governance controls, including reviewing key meetings that form part of the approval process for provision for impairment. In addition, we also performed the following substantive audit procedures: • Engaged our internal valuation specialist to assess the valuation of the assets in particular, the discount rates used; • Evaluated whether the models used by management to calculate the recoverable amount of assets with relevant accounting standard; • Obtained and analysed underlying assumptions provided by management to determine whether these are reasonable and supportable; • Analysed the discount rates and/or Weighted Average Cost of Capital (WACC); • Reviewed projections to determine that enhancement capital expenditure has been excluded; • Reperformed the arithmetical accuracy of the cash flow forecasts; and • Assessed management's basis of estimating the residual values and depreciation rates of assets and tested these to supporting information for reasonableness, such as any publicly or other available information on estimated residual values and compared the depreciation rates to the rates applied by other pharmaceutical companies; and

We considered the impairment of property, plant and equipment to be a key audit matter, given the complexity involved in the determination of the recoverable amount and the significance of the amount in the Establishment's financial statements. In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections and the estimate of the discount rate.	• assessed the disclosure in the financial statements as per the requirements of IFRSs.

Emphasis of matter

We draw attention to Note 2 (c) to the financial statements which states that, the Establishment incurred a loss of AED 11,617,770 for the year ended 31 March 2021 and at that date, the Establishment has accumulated losses of AED 57,234,933 and its current liabilities exceed its current assets by AED 10,134,423. Further, the uncertainty due to Covid-19 outbreak with regard to the future impact on the business performance has been considered as part of the management's assessment of the Establishment's ability to continue as a going concern and the Establishment's operations may have been affected by this outbreak.

However, the ultimate parent company has agreed to continue with the operations of the Establishment and has agreed to provide continuing financial support to enable the Establishment to discharge its liabilities as and when they fall due for payment. Accordingly, the financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995 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 Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

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

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

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

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 Establishment'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 Establishment'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 Establishment 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 gives a true and fair view.

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.

continued...

PKF
Accountants &
business advisers

Report on Other Legal and Regulatory Requirements

As stated in Note 22 to the financial statements, the net assets of the Establishment are below 75% of its share capital. In accordance with the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995, the Directors are required to take steps to intimate the Hamriya Free Zone Authority and remedy the situation. We have been informed that the Directors will intimate the Free Zone Authorities and take steps to remedy the situation.

We further confirm that the financial statements comply with the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995.

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
17 May 2021

KAYA MIDDLE EAST FZE

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 AED	2020 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	**36,679,425**	42,341,397
Intangible assets	7	**1,738,422**	1,755,799
Capital advance	8	**16,309**	181,707
		38,434,156	44,278,903
Current assets			
Inventories	9	**2,139,473**	2,743,455
Deposits and other receivables	10	**2,733,500**	2,500,348
Other current assets	11	**3,937,022**	3,740,632
Due from related parties	12	**17,426,116**	16,329,564
Cash and cash equivalents	13	**2,931,048**	1,285,299
Other current financial asset	14	**50,000**	50,000
		29,217,159	26,649,298
Total assets		**67,651,315**	70,928,201
EQUITY AND LIABILITIES			
Equity funds			
Share capital	15	**59,628,000**	55,600,000
Capital reserve		**4,577,103**	4,577,103
Accumulated losses		**(57,234,933)**	(45,617,163)
Total equity funds		**6,970,170**	14,559,940
Non-current liabilities			
Provision for end-of-service benefits	16	**5,664,933**	4,956,614
Long-term loan from a related party	17	**1,702,826**	--
Lease liabilities	18	**13,961,804**	15,368,099
		21,329,563	20,324,713
Current liabilities			
Trade and other payables	19	**10,569,408**	7,438,108
Other current liabilities	20	**5,736,107**	3,967,702
Due to a related party	12	**1,486,589**	1,781,307
Contract liabilities	21	**15,265,507**	16,715,904
Lease liabilities	18	**6,293,971**	6,140,527
		39,351,582	36,043,548
Total liabilities		**60,681,145**	56,368,261
Total equity and liabilities		**67,651,315**	70,928,201

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 7.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the shareholders on 17 May 2021 and signed on their behalf by Mr. Vikas Agarwal.

For **KAYA MIDDLE EAST FZE**

Vikas

DIRECTOR

AUDITORS PKF U.A.E.

كايا الشرق الأوسط م.م.ح
P.O. BOX: 50394
DUBAI-U.A.E.
Kaya Middle East FZE

KAYA MIDDLE EAST FZE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 AED	2020 AED
Revenue	23	**70,823,911**	89,443,072
Purchase of inventories		**(10,748,228)**	(13,089,797)
Changes in inventories		**(508,246)**	(1,532,660)
Gross profit		**59,567,437**	74,820,615
Other income	24	**1,365,866**	85,357
Staff costs	25	**(36,833,976)**	(42,399,059)
Depreciation and amortisation	26	**(13,110,445)**	(13,788,119)
Other operating expenses	27	**(20,809,077)**	(25,578,345)
Impairment of financial asset	28	**--**	(41,179)
Interest income	29	**79,179**	241,029
Finance costs	30	**(1,876,754)**	(2,403,713)
LOSS FOR THE YEAR		**(11,617,770)**	(9,063,414)
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(11,617,770)**	(9,063,414)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 7.

AUDITORS PKF U.A.E.

KAYA MIDDLE EAST FZE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Share capital AED	Capital reserve[a] AED	Accumulated losses AED	Total AED
Balance at 1 April 2019	55,600,000	4,577,103	(35,534,584)	24,642,519
Adjustment on account of adoption of IFRS 16	--	--	(1,019,165)	(1,019,165)
Total comprehensive income for the year	--	--	(9,063,414)	(9,063,414)
Balance at 31 March 2020	55,600,000	4,577,103	(45,617,163)	14,559,940
Total comprehensive income for the year	--	--	(11,617,770)	(11,617,770)
Issue of share capital	4,028,000	--	--	4,028,000
Balance at 31 March 2021	**59,628,000**	**4,577,103**	**(57,234,933)**	**6,970,170**

a) Capital reserve is available for distribution of dividends.

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 7.

AUDITORS PKF U.A.E.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 AED	2020 AED
Cash flows from operating activities		
Loss for the year	(11,617,770)	(9,063,414)
Adjustments for:		
Depreciation of property, plant and equipment	13,026,601	13,268,396
Amortisation of intangible assets	83,844	519,723
Interest income	(79,179)	(241,029)
Finance costs	1,876,754	2,403,713
Covid-19-related rent concessions	(1,203,730)	--
Property, plant and equipment written off	9,210	132,887
Profit on sale of property, plant and equipment	(9,524)	--
Debit balances written off	20,862	668
Deposits written off	--	102,593
Credit balances written back	--	(26,648)
Provision for slow moving inventory	140,673	83,792
Provisions written back	--	(51,863)
Impairment of financial asset	--	41,179
Provision for staff end-of-service benefits	920,409	1,250,147
Provision for employee stock option plan	--	25,611
	3,168,150	8,445,755
Changes in:		
- Inventories	463,309	1,364,559
- Deposits and other receivables	(233,152)	1,551,948
- Other current assets	(217,252)	3,409,240
- Trade and other payables	3,131,300	(2,885,968)
- Other current liabilities	1,768,405	(659,992)
- Contract liabilities	(1,450,397)	(1,330,230)
Staff end-of-service benefits paid	(214,850)	(654,999)
Cash generated from operating activities	6,415,513	9,240,313
Interest paid	(1,876,754)	(2,403,713)
Net cash from operating activities	4,538,759	6,836,600
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(1,059,344)	(1,912,719)
Payments for capital work-in-progress	(66,467)	(175,643)
Proceeds from disposal of property, plant and equipment	9,524	--
Payments for capital advance	--	(181,707)
(Payments to)/receipts from related parties (net)	(1,093,792)	1,576,196
Interest received	79,179	241,029
Net cash used in investing activities	(2,130,900)	(452,844)
Cash flows from financing activities		
Issue of share capital	4,028,000	--
Payment of bank loans	--	(4,747,017)
Long term loan from a related party	1,702,826	--
(Payments to)/ receipts from a related party (net)	(294,718)	784,068
Repayment of lease liabilities	(6,198,218)	(5,827,098)
Net cash used in financing activities	(762,110)	(9,790,047)
Net increase/(decrease) in cash and cash equivalents	1,645,749	(3,406,291)
Cash and cash equivalents at the beginning of the year	1,285,299	4,691,590
Cash and cash equivalents at the end of the year (note 13)	2,931,048	1,285,299

AUDITORS PKF U.A.E.

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 7.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA MIDDLE EAST FZE** (the "Establishment") is a Free Zone Establishment with limited liability registered on 25 December 2005 in Sharjah Hamriyah Free Zone, United Arab Emirates, pursuant to Emirate Decree No 6 of 1995 of H.H. Sheikh Dr. Sultan Bin Mohammed Al-Qassimi, Ruler of Sharjah. The principal place of business is PO Box: 41756, Sharjah, U.A.E.

b) The Establishment is engaged in the business of providing products and services in the area of skin care treatment and aesthetics; import, export and trading in skin care machinery, consumables and products and providing related advisory services.

c) These financial statements include assets, liabilities and the result of operations of skin care clinics operating in the United Arab Emirates, Sultanate of Oman and Kingdom of Saudi Arabia under the local sponsorship arrangements.

d) The Establishment is wholly owned subsidiary of KME Holdings Pte Limited (the "parent company"), a company registered in Singapore. The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2020, and the requirements of the implementing rules and regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Establishment's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

AUDITORS PKF U.A.E.

The Establishment incurred a loss of AED 11,617,770 for the year ended 31 March 2021 and at that date, the Establishment has accumulated losses of AED 57,234,933 and its current liabilities exceed its current assets by AED 10,134,423.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Establishment's business performance has also been considered as part of Management's assessment of the Establishment's ability to continue as a going concern. As the Establishment is principally engaged in the activities of providing dermatology and venerology clinics services, a short-term impact may be experienced in Establishment's business activities and cash flows but there is no change in Management's going concern assessment or business strategy.

Since the impact of Covid-19 continues to evolve, the Establishment will continue to monitor the situation and its impacts on the financial statements (See Note 5).

However, the ultimate parent company has agreed to continue with the operations of the Establishment and has agreed to provide continuing financial support to enable the Establishment to discharge its liabilities as and when they fall due for payment. Accordingly, the financial statements have been prepared on a going concern basis.

Since the net assets of the Establishment are below 75% of its share capital, as required by the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995, the Directors will intimate the Free Zone Authorities and take steps to remedy the situation.

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current period

The following amendments, improvements and interpretations which became effective 1 April 2020 or after, did not have any significant impact on the Establishment's financial statements:

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting
- Amendment to IFRS 16 - Covid-19-Related Rent Concessions

Amendment to IFRS 16 - Covid-19-Related Rent Concessions

Impact of adoption

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

AUDITORS PKF U.A.E.

Further, the practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2022.

c) There is no substantive change to other terms and conditions of the lease.

The Establishment has applied the practical expedient retrospectively to all rent concessions that meet the conditions in IFRS 16, and has not restated prior period figures. The impact on accounting for changes in lease payments applying the exemption is summarized below:

The Establishment has benefited from a waiver of lease payments on clinic premises. The waiver of lease payments of AED 1,203,730 has been accounted for as rent concession in profit or loss. The Establishment has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of IFRS 16.

New and revised IFRSs in issue but not yet effective

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark - Phase 2 (1 January 2021)
- Amendments to IFRS 3 – Reference to Conceptual Framework (1 January 2022)
- Amendments to IAS 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Reporting Standards
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)

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e) **Functional and presentation currency**

The financial statements are presented in U.A.E. Dirhams ("AED") which is also the Establishment's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Right of use assets	1 – 7 years
Plant and machinery	3 - 7 years
Furniture, fixtures and office equipment	2 - 7 years
Vehicles	5 years

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 expenditure will flow to the Establishment and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Establishment recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of computer software is amortised over 7 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

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Intangible assets with indefinite useful lives are not amortised as the Establishment does not identify any foreseeable limit on the benefits embodied with such rights. Consequently, these are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Establishment's share of the net identifiable assets of the acquired clinics as of the date of the acquisition. Goodwill on acquisitions of clinics is included in 'intangible assets'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Capital work-in-progress is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant assets are ready for use.

c) **Impairment of tangible and intangible assets excluding goodwill**

At each reporting date, the management 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. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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d) **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realizable value is based on estimated selling price less any estimated cost of completion and disposal.

e) **Staff end-of-service benefits**

Provision is made for staff end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

f) **Share based payments**

Incentives in the form of share-based payment compensation benefits are provided to executives under an employee stock option scheme as approved by the Directors.

Options are fair valued at the grant date in accordance with IFRS 2: Share Based Payments by approved valuers. The cost of equity settled transactions is recognised together with the corresponding increase in equity on a straight-line basis over the period in which the performance conditions are fulfilled, ending on the date the employee becomes fully entitled for the award ("vesting date").

g) **Revenue recognition**

The Establishment is engaged in the business of providing products and services in the area of skin care treatment and aesthetics; import, export and trading in skin care machinery, consumables and products and providing related advisory services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Establishment expects to be entitled in exchange for those goods or services.

The Establishment recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the 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.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment 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 Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.

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5. Recognise revenue when (or as) the Establishment satisfies a performance obligation at a point in time or over time.

The Establishment is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The Establishment has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Establishment considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Establishment considers the effect of significant financing components.

The Establishment receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Establishment has used the practical expedient in IFRS 15 and not adjusted the consideration for significant financing component.

Sale of services

The Establishment provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Establishment allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Establishment has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

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

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

h) **Contract liabilities**

A contract liability is the obligation to provide services to a customer for which the Establishment has received consideration from the customer. If a customer pays consideration before the Establishment provides services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Establishment performs under the contract.

i) **Leases**

As a lessee

The Establishment leases its clinic premises. Rental contracts are typically made for fixed periods of 1 to 7 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

Right-of-use assets

The Establishment recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs; and
- restoration costs.

Unless the Establishment is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-assets are subject to impairment.

Lease liabilities

The Establishment recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;

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- the exercise price of a purchase option reasonably certain to be exercised by the Establishment; and
- payments of penalties for terminating the lease, if the lease term reflects the Establishment exercising the option to terminate.

The Establishment uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability 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.

Short-term leases
The Establishment applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

j) **Cash and cash equivalents**
Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value net of temporary bank overdrafts.

k) **Foreign currency transactions**
Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

l) **Provisions**
A provision is recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, 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.

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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. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

m) **Royalty expenses**

Royalty expenses represents fees charged by a related party at 2.5% of the net revenue as per the terms of agreement.

n) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Establishment is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

o) **Current versus non-current classification**

The Establishment presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Establishment classifies all other liabilities as non-current.

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p) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

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

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, 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 instrumental level.

The Establishment'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 cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Establishment determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Establishment commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Establishment 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

  (a) the Establishment has transferred substantially all the risks and rewards of the asset,

  or

  (b) the Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

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Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

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.

The financial assets at amortised cost comprise of deposits and other receivables, due from related parties, other current financial asset and cash and cash equivalents.

Financial liabilities

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

Financial liabilities at amortised cost comprise of trade and other payables, loan from a related party, due to a related party and lease liabilities.

Impairment of financial assets

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

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The Establishment measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, due from related parties, deposits and other receivables and other current financial assets 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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Establishment considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Establishment's historical experience and informed credit assessment and including forward looking information.

The Establishment assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Establishment considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Establishment in full, without recourse by the Establishment to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Establishment is exposed to credit risk.

At each reporting date, the Establishment assesses whether financial assets carried at amortised 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 assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Offsetting
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.

Equity
Share capital is recorded at the value of proceeds received towards interest in share capital of the Establishment.

q) **Fair value measurement**

The Establishment discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

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

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment and intangible assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Establishment applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Establishment 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.

The Establishment has the option, under some of its leases to lease the assets for additional years. The Establishment applies judgement in evaluating whether it is reasonably certain to exercise the option to renew considering the leasehold improvements that are expected to have a significant remaining value and other factors including historical lease durations and the costs and business disruption required to replace the leased asset. The Establishment considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Establishment reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

The right-of-use assets and lease liabilities recognised as at 1 April 2019 are mainly determined based on the Group's expected lease renewal terms derived primarily from the Group's long-term business plans.

Discounting of lease payments
The lease payments are discounted using the Establishment's incremental borrowing rate ("IBR"), which is 6.25%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Establishment against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Establishment's specific risk, term risk and underlying asset risk. Majority of the leases are present in the GCC including U.A.E. and accordingly no adjustment for the economic environment was deemed required.

Recognition of revenue and allocation of transaction price
Identification of performance obligations
Contract revenue is recognized over time as performance obligations are fulfilled in accordance with IFRS 15 – Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation
The Establishment concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Establishment concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made 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 financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Establishment's inventory, stated at AED 2,339,461 (previous year AED 2,847,707) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and intangible assets are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(p).

Staff end-of-service benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at AED 5,664,933 (previous year AED 4,956,614), assuming that all employees were to leave as of the reporting date and is based on the local labour laws.

Impact of Covid-19

Since the outbreak is evolving rapidly, the Establishment continues to assess the impact of Covid-19 on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy including short-term impact on the operations of the Establishment. However, the management concluded that there is no significant impact of Covid-19 on its operations due to nature of the Establishment's business activities.

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6. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress	Right-of-use assets [(a)]	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total [Note 34]
	AED	AED	AED	AED	AED	AED
Cost						
At 1 April 2019	313	--	33,837,794	32,831,745	195,742	66,865,594
Adjustment on account of adoption of IFRS 16	--	25,279,041				25,279,041
Additions	--	--	1,348,916	563,803	--	1,912,719
Modifications to leases[(b)]	--	10,786,650	--	--	--	10,786,650
Assets written off	--	--	(181,171)	(559,682)	--	(740,853)
Transfer from capital advance	--	--	--	369,004	--	369,004
Transfers	(313)	--	--	313	--	--
At 31 March 2020	--	36,065,691	35,005,539	33,205,183	195,742	104,472,155
Additions	--	3,012,736	706,994	352,350	--	4,072,080
Modifications to leases[(c)]	--	3,136,361	--	--	--	3,136,361
Assets written off			(16,752)	(70,620)		(87,372)
Disposals		(48,955)			(86,265)	(135,220)
Transfer from capital advance			165,398			165,398
At 31 March 2021	--	**42,165,833**	**35,861,179**	**33,486,913**	**109,477**	**111,623,402**
Accumulated depreciation and impairment losses						
At 1 April 2019	--	--	22,469,445	18,163,348	163,794	40,796,587
Adjustment on account of adoption of IFRS 16	--	8,673,741	--	--	--	8,673,741
Depreciation	--	6,785,729	3,413,009	3,057,956	11,702	13,268,396
Adjustment on assets written off	--	--	(95,483)	(512,483)	--	(607,966)
At 31 March 2020	--	15,459,470	25,786,971	20,708,821	175,496	62,130,758
Depreciation	--	7,193,888	3,020,957	2,791,510	20,246	13,026,601
Adjustment on assets written off	--	--	(10,972)	(67,190)	--	(78,162)
Adjustment on disposals	--	(48,955)	--	--	(86,265)	(135,220)
At 31 March 2021	--	**22,604,403**	**28,796,956**	**23,433,141**	**109,477**	**74,943,977**
Carrying amount						
At 1 April 2019	313	--	11,368,349	14,668,397	31,948	26,069,007
At 31 March 2020	--	20,606,221	9,218,568	12,496,362	20,246	42,341,397
At 31 March 2021	--	**19,561,430**	**7,064,223**	**10,053,772**	--	**36,679,425**

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(a) Right-of-use assets represents right of use of clinic premises [refer note 3(i)] The leases are for a period of 1 to 7 years.

(b) The Establishment had considered the extension options available and re-estimated the lease period for its leases as at 31 March 2020. The carrying amount of its right of use assets and lease liabilities were remeasured and accounted as modification of leases as at 31 March 2020.

(c) The Establishment has extended some its leases during the year ended 31 March 2021. The carrying amount of its right of use assets and lease liabilities were remeasured and accounted as modification of leases as at 31 March 2021.

7. INTANGIBLE ASSETS

	Capital work-in-progress[a] AED	Computer software AED	Goodwill[b] AED	Total AED
Cost				
At 1 April 2019	--	948,391	1,496,312	2,444,703
Additions	175,643	--	--	175,643
At 31 March 2020	175,643	948,391	1,496,312	2,620,346
Additions	66,467	--	--	66,467
At 31 March 2021	**242,110**	**948,391**	**1,496,312**	**2,686,813**
Accumulated amortisation				
At 1 April 2019	--	344,824	--	344,824
Amortisation	--	519,723	--	519,723
At 31 March 2020	--	864,547	--	864,547
Amortisation	--	83,844	--	83,844
At 31 March 2021	**--**	**948,391**	**--**	**948,391**
Carrying amount				
At 1 April 2019	--	603,567	1,496,312	2,099,879
At 31 March 2020	175,643	83,844	1,496,312	1,755,799
At 31 March 2021	**242,110**	**--**	**1,496,312**	**1,738,422**

(a) Capital work in progress represents costs incurred for software installation which is in progress at year end.

(b) Goodwill represents the excess consideration transferred over and above the fair values of the identifiable net assets acquired on acquisition of clinic in Fujairah, U.A.E.

AUDITORS PKF U.A.E.

		2021 AED	2020 AED
8.	**CAPITAL ADVANCE** [(a)]		
	Opening	**181,707**	369,004
	Addition	**--**	181,707
	Less: transfer to property, plant and equipment (note 6)	**(165,398)**	(369,004)
		16,309	181,707

a) Capital advance represents advance towards purchase of plant and machinery.

		2021 AED	2020 AED
9.	**INVENTORIES**		
	Retail and consumables	**2,339,461**	2,847,707
	Less: provision for slow-moving inventories	**(199,988)**	(104,252)
		2,139,473	2,743,455

A reconciliation of the movements in the provision for slow-moving inventories is as follows:

	2021 AED	2020 AED
Opening balance	**104,252**	188,561
Provisions made during the year	**140,673**	83,792
Inventories written off	**(44,937)**	(168,101)
Closing balance	**199,988**	104,252

		2021 AED	2020 AED
10.	**DEPOSITS AND OTHER RECEIVABLES**		
	Deposits	**2,049,806**	2,070,579
	Staff advances[(a)]	**308,673**	429,390
	Other receivables	**375,021**	379
		2,733,500	2,500,348

(a) Includes staff advances of AED 31,487 (previous year AED 10,771) relating to key management personnel.

		2021 AED	2020 AED
11.	**OTHER CURRENT ASSETS**		
	Prepayments	**1,708,474**	1,654,809
	Advance for goods and services	**2,228,548**	2,085,823
		3,937,022	3,740,632

12. **RELATED PARTIES**

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise parent company, ultimate parent company, fellow subsidiaries and key management personnel.

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At the reporting date, significant balances with related parties are as follows:

	Ultimate parent company AED	Parent company AED	Fellow subsidiaries AED	Key management personnel AED	Total 2021 AED	Total 2020 AED
Included in deposits and other receivables	--	--	--	31,487	31,487	
	--	--	--	10,771		10,771
Due from related parties[a]	--	--	17,426,116	--	17,426,116	
	--	1,183,751	15,145,813	--		16,329,564
Long-term loan from a related party	--	1,702,826	--	--	1,702,826	
	--	--	--	--		--
Due to a related party	1,486,589	--	--	--	1,486,589	
	1,781,307	--	--	--		1,781,307

	2021 AED	2020 AED
(a) AMOUNTS DUE FROM RELATED PARTIES		
Amounts due from related parties	17,467,295	16,370,743
Less: Allowance for expected credit losses on due from related parties	(41,179)	(41,179)
	17,426,116	16,329,564

A reconciliation of the movements in the allowance for expected credit losses on amounts due from related parties is as follows:

	2021	2020
Opening balance	41,179	--
Provisions made during the year	--	41,179
Closing balance	41,179	41,179

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 17 and 31.

The Establishment also provides funds to/receives funds from related parties as working capital facilities, free of interest.

Significant transactions with related parties during the year were as follows:

	Ultimate parent company AED	Parent company AED	Fellow subsidiaries AED	Key management personnel AED	Total 2021 AED	Total 2020 AED
Revenue	--	--	75,572	--	75,572	
	--	--	105,169	--		105,169
Purchases	185,670	--	--	--	185,670	
	190,751	--	--	--		190,751

AUDITORS PKF U.A.E.

	Ultimate parent company AED	Parent company AED	Fellow subsidiaries AED	Key management personnel AED	Total 2021 AED	Total 2020 AED
Recharge of expenses(included in other expenses)	470,516	--	--	--	**470,516**	
	576,669	--	--	--		576,669
Royalty expenses	1,791,118	--	--	--	**1,791,118**	
	2,228,646	--	--	--		2,228,646
Recharge of finance cost by a related party	--	--	465,589	--	**465,589**	
	--	--	759,544	--		759,544
Recharge of finance cost to a related party	--	--	--	--	**--**	
	--	--	66,947	--		66,947
Finance costs	--	98,256	--	--	**98,256**	
	--	--	--	--		--
Impairment of financial asset	--	--	--	--	**--**	
	--	--	41,179	--		41,179
Staff salaries	--	--	--	2,616,234	**2,616,234**	
	--	--	--	2,590,017		2,590,017
Recharge of staff salaries to a related party	--	--	133,816	--	**133,816**	
	--	--	427,630	--		427,630
End of service benefits	--	--	--	74,710	**74,710**	
	--	--	--	116,907		116,907
Employee ESOP plan	--	--	--	--	**--**	
	--	--	--	25,611		25,611
Additions to capital work in progress (note 7)	76,436	--	--	--	**76,436**	
	201,989	--	--	--		201,989
Recharge of capital work in progress to related parties	--	--	9,969	--	**9,969**	
	--	--	26,346	--		26,346
Transfer of provision for staff end-of-service benefits from a related party	--	--	2,760	--	**2,760**	
	--	--	--	--		--

Certain finance costs and administrative expenses such as doctor's salaries and benefits were recharged to/by related parties at agreed rates.

Certain administrative and staff related services were provided to related parties free of cost.

13. CASH AND CASH EQUIVALENTS

	2021 AED	2020 AED
Cash on hand	**171,154**	60,819
Current accounts	**2,759,894**	1,224,480
	2,931,048	1,285,299

AUDITORS PKF U.A.E.

		2021 AED	2020 AED
14.	**OTHER CURRENT FINANCIAL ASSET**		
	Restricted cash margin	50,000	50,000

Held by bank as security against letter of credit issued on behalf of the Establishment in the normal course of business (refer note 33).

15.	**SHARE CAPITAL**		
	Issued and paid up		
	59,628 shares of AED 1,000 each (Previous year - 55,600 shares of AED 1,000 each)	59,628,000	55,600,000

The shareholder at 31 March 2021 and 31 March 2020 and their interest in share capital of the Establishment was as follows:

Name of the shareholder	As of 31.03.2021		As of 31.03.2020	
	No. of shares	AED	No. of shares	AED
KME Holding Pte Ltd.	59,628	59,628,000	55,600	55,600,000

		2021 AED	2020 AED
16.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	4,956,614	4,361,466
	Provision for the year	920,409	1,250,147
	Transfer from a related party	2,760	--
	Paid during the year	(214,850)	(654,999)
	Closing balance	5,664,933	4,956,614
17.	**LONG-TERM LOAN FROM A RELATED PARTY**		
	At 1 April	--	--
	Loan introduced (net)	1,702,826	--
	At 31 March	1,702,826	--

This represents unsecured, United States Dollar ('USD') denominated, carries interest at fixed rate, long term loan from a related party without any fixed repayment schedule and is not repayable on or before 31 March 2022.

18.	**LEASE LIABILITIES**		
	Lease liabilities for long term lease of clinic premises	20,255,775	21,508,626

Disclosed in the statement of financial position as follows:

Disclosed as:		
Non-current liabilities	13,961,804	15,368,099
Current liabilities	6,293,971	6,140,527
	20,255,775	21,508,626

AUDITORS PKF

A reconciliation of the movements in the lease liabilities is as follows:

	2021 AED	2020 AED
Opening balance	21,508,626	--
Adjustment as at 1 April 2020 (upon adoption of IFRS 16)	--	16,214,135
Additions	3,012,736	--
Modifications to leases[a]	3,136,361	11,121,589
Covid-19-related rent concessions [refer note 2(d)]	(1,203,730)	--
Payments made during the year	(6,198,218)	(5,827,098)
Closing balance	20,255,775	21,508,626

(a) The Establishment had considered the extension options available and re-estimated the lease period for its leases as at 31 March 2020 and 31 March 2021. The carrying amount of its right of use assets and lease liabilities were remeasured and accounted as modification of leases as at 31 March 2020 and 31 March 2021.

(b) The Establishment has extended some its leases during the year ended 31 March 2021. The carrying amount of its right of use assets and lease liabilities were remeasured and accounted as modification of leases as at 31 March 2021.

A maturity analysis of lease liabilities are as follows:

0 – 1 month	399,729	391,294
1 – 3 months	1,467,096	1,986,836
3 months – 1 year	4,427,146	3,762,397
Presented as current liabilities	6,293,971	6,140,527
1 year – 5 years	13,961,804	15,368,099
Total	20,255,775	21,508,626

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the statement of financial position is as follows:

Lease payments due	22,902,133	24,788,150
Less: Finance cost on leases	(2,646,358)	(3,279,524)
Disclosed in the statement of financial position	20,255,775	21,508,626

19. **TRADE AND OTHER PAYABLES**

Trade payables	3,566,631	3,533,511
Creditors for capital expenditure	300,769	82,630
Accruals	3,758,436	2,536,933
Other payables	2,943,572	1,285,034
	10,569,408	7,438,108

The entire trade and other payables are due for payment in one year.

AUDITORS PKF U.A.E.

		2021 AED	2020 AED
20.	**OTHER CURRENT LIABILTIES**		
	Staff accruals	2,343,597	2,470,078
	VAT payable (net)	636,703	456,055
	Other liabilities	2,755,807	1,041,569
		5,736,107	3,967,702
21.	**CONTRACT LIABILITIES**		
	Contract liabilities	15,265,507	16,715,904
	Disclosed as:		
	Current contract liabilities	15,265,507	16,715,904

22. **MANAGEMENT OF CAPITAL**

The Establishment's objectives when managing capital are to ensure that the Establishment continues as a going concern and to provide the shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position, together with due to/due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Establishment is subject to externally imposed capital requirements as per bank facilities availed and the provision of Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995.

As the net assets of the Establishment are below 75% of its share capital, the Directors are required to take steps to intimate the Hamriya Free Zone Authorities, in accordance with the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995. The Directors will intimate the Free Zone Authorities and initiate steps to remedy the situation.

Funds generated from internal accruals together with funds received from related parties net of funds provided to a related party are retained in the business, to limit bank borrowings within covenants according to the business requirements and to maintain capital at desired levels.

23. **REVENUE**

The Establishment generates revenue from sale of goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, type of goods/service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Establishment's revenue and cash flows.

PKF U.A.E.

	2021 AED	2020 AED
Primary Geographical segments		
- U.A.E.	52,607,741	68,049,524
- Other Middle east countries	18,216,170	21,393,548
	70,823,911	89,443,072
Major goods/service lines		
- Products	5,614,134	7,740,740
- Services	65,209,777	81,702,332
	70,823,911	89,443,072
Timing of revenue recognition		
- At a point in time	5,614,134	7,740,740
- Over period of time	65,209,777	81,702,332
	70,823,911	89,443,072

24. OTHER OPERATING INCOME

	2021 AED	2020 AED
Provisions written back	--	51,863
Credit balances written back	--	26,648
Profit on sale of property, plant and equipment	9,524	--
Covid-19-related rent concessions [refer note 2(d)]	1,203,730	--
Miscellaneous income	152,612	6,846
	1,365,866	85,357

25. STAFF COSTS

	2021 AED	2020 AED
Staff salaries and benefits[(a)]	35,913,567	41,123,301
Staff end-of-service benefits[(a)]	920,409	1,250,147
Employee Stock Option Plan (ESOP) expenses[(a)]	--	25,611
	36,833,976	42,399,059

(a) Includes staff salaries and benefits of AED 2,616,234 (previous year AED 2,590,017) staff end-of -service benefits of AED 74,710 (previous year AED 116,907) and employee stock option plan expenses of AED Nil (previous year AED 25,611) relating to key management personnel.

26. DEPRECIATION AND AMORTISATION

	2021 AED	2020 AED
Depreciation of property, plant and equipment[(a)]	13,026,601	13,268,396
Amortisation of intangible assets	83,844	519,723
	13,110,445	13,788,119

(a) Includes depreciation on Right-of-Use asset of AED 7,193,888 (previous year AED 6,785,729).

AUDITORS PKF U.A.E.

		2021 AED	2020 AED
27.	**OTHER OPERATING EXPENSES**		
	Assets written off	9,210	132,887
	Deposits written off	--	102,593
	Provision for slow moving inventories	140,673	83,792
	Operating lease expenses	1,911,024	3,212,374
	Electricity and water expenses	635,256	742,170
	Repairs and maintenance	2,738,899	2,761,341
	Advertisement	3,199,805	3,931,643
	License fees	742,171	937,562
	Communication expenses	1,170,498	1,096,058
	Travelling expenses	1,562,399	3,079,155
	Bank charges	1,287,449	1,608,917
	Legal and professional charges	4,792,143	4,642,624
	Royalty expenses	1,791,118	2,228,646
	Debit balances written off	20,862	668
	Other expenses	807,570	1,017,915
		20,809,077	25,578,345
28.	**IMPAIRMENT OF FINANCIAL ASSET**		
	On amounts due from related parties	--	41,179
29.	**INTEREST INCOME**		
	On staff loans	--	464
	On other balances	79,179	240,565
		79,179	241,029
30.	**FINANCE COSTS**		
	On bank loans and overdrafts[(a)]	511,554	867,422
	On long term loan from a related party	98,256	--
	On lease liabilities	1,266,944	1,536,291
		1,876,754	2,403,713
(a)	**Finance costs on bank loans and overdrafts**		
	Finance costs on bank loans and overdrafts	45,965	174,825
	Add: recharge of finance costs by a related party	465,589	759,544
	Less: recharge of finance costs to a related party	--	(66,947)
		511,554	867,422

31. FINANCIAL INSTRUMENTS

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2021	2020
	AED	AED
Financial assets		
Deposits and other receivables	2,733,500	2,500,348
Due from related parties	17,426,116	16,329,564
Cash and cash equivalents	2,931,048	1,285,299
Other current financial asset	50,000	50,000
	23,140,664	20,165,211
Financial liabilities		
Long-term loan from a related party	1,702,826	--
Trade and other payables	10,569,408	7,438,108
Due to a related party	1,486,589	1,781,307
Lease liabilities (current and non-current)	20,255,775	21,508,626
	34,014,598	30,728,041

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Establishment to concentrations of credit risk comprise principally bank accounts, deposits and other receivables, due from related parties and other current financial asset.

The Establishment's bank accounts and other current financial asset are placed with high credit quality financial institutions.

Deposits and other receivables and due from related parties are stated net of the allowance for doubtful recoveries.

At the reporting date 95% of due from related parties are due from a related party (previous year 90% from a related party).

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Establishment's customers are mainly individuals.

Currency risk
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk
Long-term loan from a related party and lease liabilities are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk.

Fair values
The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of deposits and other receivables, due from related parties, cash and cash equivalents, other current financial asset, trade and other payables, lease liabilities and due to a related party approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

- Fair values of non-current lease liabilities and long-term loan from a related party are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

		2021 AED	2020 AED
32.	**CONTRACTUAL COMMITMENTS**		
	For purchase of property, plant and equipment (note 8)	**296,440**	37,502
33.	**CONTINGENT LIABILITY**		
	Cash margin for clinic in Fujairah	**50,000**	50,000

AUDITORS PKF

34. COMPARATIVE INFORMATION

Previous year's amounts have been regrouped/reclassified as follows as it is considered that the revised grouping/classification, which has been adopted in the current accounting period, more fairly presents the state of affairs:

	Reclassified from	**Reclassified to**	**AED**
Accumulated amortisation	Accumulated depreciation	Accumulated amortization	151,876

For **KAYA MIDDLE EAST FZE**

Vikas

DIRECTOR

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AUDITORS
PKF

KAYA MIDDLE EAST DMCC

Financial statements and independent auditor's report
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INDEPENDENT AUDITOR'S REPORT

To the shareholder of KAYA MIDDLE EAST DMCC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KAYA MIDDLE EAST DMCC** (the "Company"), which comprise the statement of financial position as at 31 March 2021, 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 give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the U.A.E., 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matters**
Impairment assessment of investments in subsidiaries	
As at 31 March 2021, the Company's investments in subsidiaries amounted to AED 22.50 million. The impairment assessment of investments in subsidiaries involve application of significant management judgement and hence the matter has been considered as a key audit matter.	Our procedures included, amongst others, the following: • Discussed with management and evaluated their assessment of the indication of the impairment loss; • Assessed the reasonableness of the key inputs to the impairment calculations considering our knowledge of the business; • Independently verified the external sources data used by the management in deriving the value-in-use; • Checked the mathematical accuracy of management's computation of the fair value less costs of disposal; and • Reviewed adequacy of the related disclosures in the financial statements.

continued...

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Emphases of Matter

We draw attention to:

(a) Note 2(a) to the financial statements which states that these are the separate financial statements of the Company. The consolidated financial statements of the Company and its subsidiaries which are required to be prepared in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements, are presented separately.

(b) Note 2 (c) to the financial statements which states that as at the reporting date, the Company's accumulated losses aggregated to AED 4,752,252 and at that date its current liabilities exceeded its current assets by AED 21,074,605 and it had a net deficit of AED 1,852,252 in equity funds. Further, the uncertainty due to Covid-19 outbreak with regard to the future impact on the business performance has been considered as part of the management's assessment of the Company's ability to continue as a going concern and the Company's operations may have been affected by this outbreak.

    However, the parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the company to discharge its liabilities as and when they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

Our opinion is not modified with respect to these matters.

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 IFRSs, and for their compliance with the applicable provisions of Dubai Multi Commodities Centre Authority Regulations 2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

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

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

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

As stated in Note 16 to the financial statements, since the losses of the Company exceeded 75% of its share capital, as required by Dubai Multi Commodities Centre Authority Regulations 2020, the directors referred the matter in the General meeting in which the shareholder has resolved to continue with the operations of the Company.

We further confirm that the financial statements comply with the applicable provisions of Dubai Multi Commodities Centre Authority Regulations 2020. Also, in our opinion, the Company has undertaken only the activities permitted under its license.

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
17 May 2021

KAYA MIDDLE EAST DMCC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 AED	2020 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,781,103	3,008,503
Investment in subsidiaries	7	22,500,000	22,500,000
		25,281,103	25,508,503
Current assets			
Other current assets	8	19,922	30,151
Cash and cash equivalents	10	34,056	261,626
		53,978	291,777
Total assets		25,335,081	25,800,280
EQUITY AND LIABILITIES			
Shareholder's equity funds			
Share capital	11	2,900,000	2,900,000
Accumulated losses		(4,752,252)	(5,501,721)
Deficit in shareholder's equity funds		(1,852,252)	(2,601,721)
Non-current liabilities			
Long-term borrowings	12	3,670,000	6,422,500
Long-term loan from a related party	13	2,388,750	2,388,750
		6,058,750	8,811,250
Current liabilities			
Short-term borrowings	14	3,670,000	3,670,000
Trade and other payables	15	504,146	588,821
Due to related parties	9	16,954,437	15,331,930
		21,128,583	19,590,751
Total liabilities		27,187,333	28,402,001
Total liabilities net of deficit in shareholder's equity funds		25,335,081	25,800,280

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the shareholder on 17 May 2021 and signed on their behalf by Mr. Vikas Agarwal.

For **KAYA MIDDLE EAST DMCC**

Vikas

DIRECTOR

كايا ميدل إيست م.د.م.س
DUBAI - U.A.E.
KAYA MIDDLE EAST DMCC

AUDITORS
PKF
U.A.E.

KAYA MIDDLE EAST DMCC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 AED	2020 AED
Dividend income		**1,312,500**	1,311,489
Other income	17	**15,178**	85,463
Depreciation		**(227,400)**	(492,129)
Impairment losses on investments	18	**--**	(1,315,967)
Other operating expenses	19	**(230,022)**	(408,426)
Finance costs	20	**(120,787)**	(229,805)
PROFIT/(LOSS) FOR THE YEAR		**749,469**	(1,049,375)
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**749,469**	(1,049,375)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

AUDITORS PKF U.A.E.

KAYA MIDDLE EAST DMCC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Share capital AED	Accumulated losses AED	Total AED
Balance at 1 April 2019	50,000	(4,452,346)	(4,402,346)
Issue of share capital [note 11(a)]	2,850,000	--	2,850,000
Total comprehensive income for the year	--	(1,049,375)	(1,049,375)
Balance at 31 March 2020	2,900,000	(5,501,721)	(2,601,721)
Total comprehensive income for the year	--	749,469	749,469
Balance at 31 March 2021	**2,900,000**	**(4,752,252)**	**(1,852,252)**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

AUDITORS PKF U.A.E.

KAYA MIDDLE EAST DMCC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 AED	2020 AED
Cash flows from operating activities		
Profit/(loss) for the year	749,469	(1,049,375)
Adjustments for:		
Depreciation of property, plant and equipment	227,400	492,129
Finance costs	120,787	229,805
Debit balances written off	--	33,000
Credit balances written back	(15,178)	(85,463)
Provision for impairment on investments	--	1,315,967
Dividend income	(1,312,500)	(1,311,489)
	(230,022)	(375,426)
Changes in:		
- Inventories	--	197,264
- Other current assets	10,229	1,655
- Trade and other payables	(69,497)	(14,265)
Cash used in operating activities	(289,290)	(190,772)
Interest paid	(120,787)	(229,805)
Net cash used in operating activities	(410,077)	(420,577)
Cash flows from investing activities		
Dividend received	1,312,500	1,311,489
Net cash from investing activities	1,312,500	1,311,489
Cash flows from financing activities		
Repayments of bank loan	(2,752,500)	(3,670,000)
Receipts of long-term loan from a related party	--	1,102,500
Receipts from related parties	1,622,507	482,675
Net cash used in financing activities	(1,129,993)	(2,084,825)
Net decrease in cash and cash equivalents	(227,570)	(1,193,913)
Cash and cash equivalents at the beginning of the year	261,626	1,455,539
Cash and cash equivalents at the end of the year (note 10)	34,056	261,626

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

AUDITORS PKF U.A.E.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA MIDDLE EAST DMCC** (the "Company") is a limited liability company incorporated in accordance with the applicable provisions of Dubai Multi Commodities Centre DMCC Company Regulations, 2003, as amended by DMCC Regulation No. 1 of 2007, DMCC Regulation No. 1 of 2009 and DMCC Regulation No. 1 of 2013 (repealed by Dubai Multi Commodities Centre Authority Regulations, 2020). The registered office of the Company is Unit no. 1107, Mazaya Business Avenue BB1, Jumeirah Lake Towers, Dubai, U.A.E. The Company was incorporated on 9 May 2015 and operates vide service license number DMCC-119566.

b) The Company is engaged in the business of investing in commercial enterprises and management.

c) The Company is wholly owned subsidiary of Kaya Limited, a company registered in India and listed on Bombay Stock Exchange and National Stock Exchange, which is considered by the directors to be the ultimate parent company.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2020, and the requirements of the applicable provisions of Dubai Multi Commodities Centre Authority Regulations, 2020.

These financial statements are the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries, which are required to be presented in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements, are presented separately.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. The financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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As at 31 March 2021, the Company's accumulated losses aggregated to AED 4,752,252 and at that date its current liabilities exceeded its current assets by AED 21,074,605 and it had a net deficit of AED 1,852,252 in equity funds.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in the activities of providing dermatology and venerology clinics services, a short-term impact may be experienced in Company's business activities and cash flows but there is no change in Management's going concern assessment or business strategy.

Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the financial statements (See Note 5).

However, the parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

Further, since the accumulated losses of the Company exceeded 75% of the share capital, as required by Dubai Multi Commodities Centre Authority Regulations 2020, the Directors referred the matter in the general meeting in which the shareholder resolved to continue with the operations of the Company.

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current period

The following amendments, improvements and interpretations which became effective 1 April 2020, did not have any significant impact on the Company's financial statements:

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

New and revised IFRSs in issue but not yet effective

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

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- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 – Interest Rate Benchmark - Phase 2 (1 January 2021)
- Amendments to IFRS 3 – Reference to Conceptual Framework (1 January 2022)
- Amendments to IAS 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)

e) **Functional and presentation currency**

The financial statements are presented in U.A.E. Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material of building, plant and machinery and furniture, fixtures and office equipment is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows.

Office premises	30 years
Plant and machinery	7 years
Furniture, fixtures and office equipment	7 years

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 expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

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b) **Impairment of tangible assets**

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

Recoverable amount is the higher of fair value less costs to sell and 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

c) **Investment in subsidiaries**

Subsidiaries are entities over which the Company exercises control. Control is achieved when the Company is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investment in subsidiaries are accounted for at cost less impairment losses, if any. The consolidated financial statements of the Company and its subsidiaries are presented separately.

d) **Revenue recognition**

The Company's principal licensed activity is investing in commercial enterprises and management.

Revenue from contracts with customers is recognised when the control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a service to the customer.
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 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. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises 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 Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Dividend income
Dividend income is accounted when the right to receive dividend is established.

e) **Cash and cash equivalents**
Cash and cash equivalents comprise cash and bank current accounts free of encumbrance with a maturity date of three months or less from the date of deposit.

f) **Foreign currency transactions**
Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

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g) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

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. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

h) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT) will be charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

i) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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j) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

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

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, 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 instrumental 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 cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- 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

  (a) the Company has transferred substantially all the risks and rewards of the asset,

  or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

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Measurement

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

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.

The financial assets at amortised cost comprise of deposits and cash and cash equivalents.

Financial liabilities

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

Financial liabilities at amortised cost comprise of long-term borrowings, long-term loan from a related party, short-term borrowings, trade and other payables and due to related parties.

Impairment of financial assets

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- 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.

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The Company has elected to measure loss allowances for other receivables at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognized a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 supportive 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 a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset 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 realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised 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 assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

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.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

k) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

The 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.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

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.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Investments in subsidiaries

Management considers that it has de-facto control over Iris Medical Centre LLC, Minal Medical Centre LLC., Dubai and Minal Medical Centre LLC, Sharjah (previously known as Minal Specialised Clinic Dermatology LLC) even though it holds 34%, 24% and 24% of the legal capital respectively. The Company is a controlling shareholder as the 51% shares held by another shareholder is assigned to the Company. Effectively, the Company holds 85%, 75% and 75% of the beneficial interest respectively in these subsidiaries.

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made 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 financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(j).

Impact of Covid-19

Since the outbreak is evolving rapidly, the Company continues to assess the impact of Covid-19 on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy. However, the management concluded that there is no significant impact of Covid-19 on its operations due to nature of the Company's business activities.

6. PROPERTY, PLANT AND EQUIPMENT

	Office premises[(a)] AED	Plant and Machinery AED	Furniture, fixtures and office equipment AED	Total AED
Cost				
At 1 April 2019	3,098,903	949,798	1,492,731	5,541,432
Transfer to a related party	--	(949,798)	(16,795)	(966,593)
As at 31 March 2020 and 31 March 2021	**3,098,903**	**--**	**1,475,936**	**4,574,839**
Accumulated Depreciation				
At 1 April 2019	353,343	--	720,864	1,074,207
Depreciation	103,503	--	388,626	492,129
At 31 March 2020	456,846	--	1,109,490	1,566,336
Depreciation	103,504	--	123,896	227,400
At 31 March 2021	**560,350**	**--**	**1,233,386**	**1,793,736**
Carrying amount				
At 1 April 2019	2,745,560	949,798	771,867	4,467,225
At 31 March 2020	2,642,057	--	366,446	3,008,503
At 31 March 2021	**2,538,553**	**--**	**242,550**	**2,781,103**

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(a) Office premises represents office units located in Mazaya Business Avenue Dubai, U.A.E. These office premises are mortgaged in favour of a bank against bank loan (note 14).

		2021 AED	2020 AED
7.	**INVESTMENT IN SUBSIDIARIES**		
	Interest in share capital at cost in:		
	– Minal Medical Centre LLC, Dubai. (75% share in the capital of the company)	**11,250,000**	11,250,000
	- Minal Medical Centre LLC, Sharjah (previously known as Minal Specialised Clinic Dermatology LLC)	**11,250,000**	11,250,000
	- (75% share in the capital of the company)		
	– Iris Medical Centre LLC. (85% share in the capital of the company)	**4,118,936**	4,118,936
		26,618,936	26,618,936
	Less: Provision for impairment of investments	**(4,118,936)**	(4,118,936)
		22,500,000	22,500,000

The nature of investment in subsidiaries held by the Company are as follows:

Name of subsidiary	Principal Activities	Country of incorporation	Registered proportion (%) of ownership interest 2021	2020
Minal Medical Centre LLC Dubai [(a)]	Provide clinical and dermatological services	U.A.E.	**24**	24
Minal Medical Centre LLC Sharjah (previously knowr as Minal Specialised Clinic Dermatology LLC) [(a)]	Provide clinical and dermatological services	U.A.E.	**24**	24
Iris Medical Centre LLC Abu Dhabi[(b)(c)]	Dermatology and venerology clinics services	U.A.E.	**34**	34

(a) Although the Company holds 24% of the share capital in Minal Medical Centre LLC, Dubai and Medical Centre LLC, Sharjah (previously known as Minal Specialised Clinic Dermatology LLC), it is able to exercise control over its financial and operating policies as the beneficial interest of the 51% equity ownership held by the other shareholder is assigned to the Company. Effectively the Company owns 75% beneficial interest in each of these subsidiaries.

(b) Although the Company holds 34% of the share capital in Iris Medical Centre LLC, it is able to exercise control over its financial and operating policies as the beneficial interest of the 51% equity ownership held by the other shareholder is assigned to the Company. Effectively the Company owns 85% beneficial interest in this subsidiary.

AUDITORS PKF U.A.E.

(c) During the year, the Company has provided AED Nil (previous year AED 1,315,967) towards impairment of investment in Iris Medical Centre LLC.

A reconciliation of the movements in provision for impairment is as follows:

	2021	2020
	AED	AED
Opening balance	4,118,936	2,802,969
Provision for the year	--	1,315,967
Closing balance	4,118,936	4,118,936

8. OTHER CURRENT ASSETS

	2021	2020
Advances	1,961	1,968
Prepayments	17,463	28,183
VAT receivable (net)	498	--
	19,922	30,151

9. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the parent company, subsidiaries, companies under common ownership and/or common management control and joint venture.

At the reporting date, significant balances with related parties were as follows:

	Parent company	Subsidiaries	Companies under common ownership and/or common management control	Joint venture	Total 2021	Total 2020
	AED	AED	AED		AED	AED
Investments	--	22,500,000	--	--	22,500,000	
	--	22,500,000	--	--		22,500,000
Due to related parties (note 23)	22,682	302,103	16,572,152	57,500	16,954,437	
	262,264	252,803	14,759,363	57,500		15,331,930
Long term loan from a related party (note 23)	2,388,750	--	--	--	2,388,750	
	2,388,750	--	--	--		2,388,750

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 7, 13 and 21.

AUDITORS PKF U.A.E.

Significant transactions with related parties during the year were as follows:

	Parent company	Subsidiaries	Companies under common ownership and/or common management control	Total 2021	Total 2020
	AED	AED	AED	AED	AED
Dividend income	--	1,312,500	--	1,312,500	
	--	1,311,489	--		1,311,489
Recharge of finance cost to a related party	--	--	465,589	465,589	
	--	--	759,544		759,544
Recharge of finance cost by a related party	--	--	--	--	
	--	--	66,947		66,947
Finance costs	120,787	--	--	120,787	
	162,858	--	--		162,858
Corporate guarantee fees	141,166	--	--	141,166	
	176,897	--	--		176,897

The Company also provides funds to/receives funds from related parties as working capital facilities, a part of which is at fixed rate of interest and balance is free of interest.

	2021 AED	2020 AED
10. CASH AND CASH EQUIVALENTS		
Bank balances in current accounts	34,056	261,626

11. SHARE CAPITAL		
Paid up:		
2,900 shares of AED 1,000 each	2,900,000	2,900,000

a) In the previous year, the Company has converted an amount of AED 2,850,000 due to parent company into share capital.

The shareholder at 31 March 2021 and 31 March 2020 and its interests as at that date in the share capital of the Company was as follows:

Name of the shareholder	No. of shares	AED
Kaya Limited, India	2,900	2,900,000

	2021 AED	2020 AED
12. LONG-TERM BORROWINGS		
Loan from Standard Chartered Bank	7,340,000	10,092,500
Less: Current portion (note 14)	(3,670,000)	(3,670,000)
	3,670,000	6,422,500

AUDITORS PKF U.A.E.

	2021	2020
	AED	AED
13. LONG-TERM LOAN FROM A RELATED PARTY (NOTE 23)		
At 1 April	2,388,750	1,286,250
Loan introduced	--	1,102,500
At 31 March	2,388,750	2,388,750

This represents unsecured, United States Dollar ('USD') denominated, carries interest at fixed rate, long term loan from a related party without any fixed repayment schedule and is not repayable on or before 31 March 2022.

14. SHORT-TERM BORROWINGS

	2021	2020
Current portion of long-term loans (note 12)	3,670,000	3,670,000

Bank facilities and loans are obtained jointly with related party and are secured by:

- Pledge and assignment over bank accounts and acknowledgement of assignment from Kaya Middle East FZE over bank account into which the receivables are paid in favour of the bank.
- Assignment of credit card receivables of related parties.
- Corporate guarantees by Kaya Limited, India.
- Mortgage over office located in Mazaya Business Avenue [note 6(a)].

The bank facilities are subject to certain financial covenants including debt to tangible net worth ratio, debt coverage ratio and debt service coverage ratio to be fulfilled in combination with the financial statements of a related party.

A maturity analysis of total bank borrowings is as follows:

	2021	2020
	AED	AED
1 – 3 months	917,500	917,500
3 months – 1 year	2,752,500	2,752,500
Presented as current liabilities (note 14)	3,670,000	3,670,000
1 year – 5 years (note 12)	3,670,000	6,422,500
Total	7,340,000	10,092,500

15. TRADE AND OTHER PAYABLES

	2021	2020
Trade payables	187,049	207,747
Creditors for capital goods	--	3,178
Accruals	317,097	377,896
	504,146	588,821

The entire trade and other payables are due for payment in one year.

AUDITORS PKF U.A.E.

16. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position together with amounts due to related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Dubai Multi Commodities Centre Authority Regulations 2020 and bank facilities availed. As referred in note 2 (c) to the financial statements, since the losses of the Company exceeded 75% of its share capital, the directors referred the matter in the General meeting in which the shareholder has resolved to continue with the operations of the Company.

Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties are retained in the business, to limit bank borrowings within covenants and according to the business requirements and maintain capital at desired levels. The nature of such covenants is set out in note 14.

		2021 AED	2020 AED
17.	**OTHER OPERATING INCOME**		
	Credit balances written back	15,178	85,463
18.	**IMPAIRMENT LOSSES ON INVESTMENTS**		
	Impairment of investment in a subsidiary	--	1,315,967
19.	**OTHER OPERATING EXPENSES**		
	Legal and professional fees	2,315	61,350
	Debit balances written off	--	33,000
	Rates and taxes	20,506	39,888
	Corporate guarantee fees	141,166	176,897
	Other expenses	66,035	97,291
		230,022	408,426
20.	**FINANCE COSTS** [(a)]		
	Interest on long term loan from a related party	120,787	162,858
	Recharge of finance cost by a related party	--	66,947
		120,787	229,805
(a)	**Finance costs**		
	Interest on long term loan from a related party - (A)	120,787	162,858
	On bank loans	465,589	759,544
	Less: recharge of finance costs to a related party	(465,589)	(759,544)
	- (B)	--	--
	Recharge of finance cost by a related party - (C)	--	66,947
	(A+B+C)	120,787	229,805

AUDITORS PKF

21. FINANCIAL INSTRUMENTS

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2021	2020
	AED	AED
Financial assets		
Cash and cash equivalents	34,056	261,626
Financial liabilities		
Long-term borrowings	3,670,000	6,422,500
Long-term loan from a related party	2,388,750	2,388,750
Short-term borrowings	3,670,000	3,670,000
Trade and other payables	504,146	588,821
Due to related parties	16,954,437	15,331,930
	27,187,333	28,402,001

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks and fair value interest rate risk).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

Borrowing facilities are regularly reviewed to ensure that the Company obtains the best available pricing, terms and conditions on its borrowings.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts and deposits.

The Company's bank accounts are placed with high credit quality financial institutions.

AUDITORS PKF U.A.E.

The management assesses the credit risk arising from other receivables taking into account its financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date, there is no significant concentration of credit risk from customers outside the industry in which the Company operates.

Currency risk
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk
Long-term loan from a related party is subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk. All other borrowings are subject to floating interest rates at levels generally obtained in the U.A.E. or are linked to LIBOR and are therefore exposed to cash flow interest rate risk.

To manage interest rate risk on a term loan, the Company has entered into interest rate contracts, in which the Company agreed to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These contracts are designated to hedge underlying debt obligations. At the reporting date, the Company had outstanding interest rate contracts with a notional amount of AED 6.4 million [previous year AED 10 million]. For the remaining, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 73,400 higher or lower (previous year AED 100,925) resulting in equity being higher or lower by AED 73,400 (previous year AED 100,925).

Fair values
The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, deposits, long-term borrowings, long-term loan from a related party, short-term borrowings, trade and other payables and amounts due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

- Fair value of long-term borrowings and long-term loan from a related party are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

AUDITORS PKF U.A.E.

22. LIQUIDATION OF JOINT VENTURE

During the year 2019, the venturers had decided to voluntarily terminate the operations of the joint venture in Kuwait. The operations ceased from 31 January 2019. The assets and liabilities of the joint venture were taken over by the venturers as agreed at their book values. Consequent to the decision, the Company had recognised an impairment loss of the amount due from the joint venture and recognised a lability towards the joint venture at an amount equal to the excess of net assets acquired over the carrying value of the amount receivable from the joint venture. The details of the net amount payable to the joint venture as at the date of agreement to terminate the operations are as follows:

		2019 AED
Investment in joint venture		309,221
Amount due from joint venture		2,675,380
	(A)	2,984,601
Net assets transferred		
- Property plant and equipment		966,595
- Inventories		197,264
- Trade and other payables		(205,297)
- Other liabilities		(25,417)
	(B)	933,145
Share of losses		
Losses upto 31 March 2018		1,185,468
Loss for the year ended 31 March 2019		923,488
	(C)	2,108,956
Net amount due to joint venture	(A-B-C)	57,500

23. COMPARATIVE INFORMATION

Previous year's amounts have been regrouped/reclassified as follows as it is considered that the revised grouping/classification, which has been adopted in the current accounting year, more fairly presents the state of affairs:

	Reclassified from	Reclassified to	AED
Long term loan from a related party	Due to related parties	Long term loan from a related party	2,388,750

For **KAYA MIDDLE EAST DMCC**

Vikas

DIRECTOR

كايا ميدل إيست م.د.م.س DUBAI - U.A.E. KAYA MIDDLE EAST DMCC

AUDITORS PKF U.A.E.

MINAL MEDICAL CENTRE L.L.C, SHARJAH

Financial statements and reports

Year ended 31 March 2021

MINAL MEDICAL CENTRE L.L.C, SHARJAH

Financial statements and reports
Year ended 31 March 2021

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MINAL MEDICAL CENTRE L.L.C, SHARJAH

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The manager submits his report and financial statements for the year ended 31 March 2021. I approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Results and dividends

The loss for the year amounted to AED 5,184. There is no dividend declared by the board during the year.

Review of the business

The Company's principal activity during the year was providing clinical and dermatological services.

Legal and regulatory requirements

The Company has complied with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015.

Events since the end of the year

There are no significant events since the end of the year.

Shareholders and their interests

The shareholders at 31 March 2021 and their interest in the share capital of the Company were as follows.

Name	No. of shares	AED
Mr. Adeeb Salem Abdulla Salem	153	153,000
Ms. Minal Patwardhan Andrade	75	75,000
Kaya Middle East DMCC	72	72,000
	300	**300,000**

Independent auditor

PKF were appointed as independent auditor for the year ended 31 March 2021 and it is proposed that they be re-appointed for the year ending 31 March 2022.

Manager
10 May 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MINAL MEDICAL CENTRE L.L.C, SHARJAH

Report on the Audit of the Financial Statements

Opinion

We have audited financial statements of **MINAL MEDICAL CENTRE L.L.C, SHARJAH** (the "Company") which comprise the statement of financial position as at 31 March 2021, 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 give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the U.A.E., 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matters**
Revenue	
The Company reported a revenue of AED 2,723,672 from skin care treatments and aesthetics, and providing related advisory services.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following:

continued….

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Key audit matters	How our audit addressed the key audit matters
Revenue	
We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	• obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports); • Reviewing the control environment and tested internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing the design, implementation and the operating effectiveness of the relevant controls; • Testing of IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • Testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the year; • performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the year; • Selected a sample of transactions before and after the year to verify recognition in the current reporting period; • reviewing key reconciliations performed by the Revenue Assurance team; • performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with IFRSs; and • assessing the disclosures in the financial statements relating to revenue as per the requirements of IFRSs.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

Emphasis of Matter
We draw attention to Note 2(c) to the financial statements, which states that the uncertainty due to recent Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of the management's assessment of the Company's ability to continue as a going concern and the Company's operations may have been affected by this outbreak. Given the uncertainty of the situation, the duration of business disruption and related financial impact, if any cannot be reasonably estimated as of the date of our report.

Our opinion is not modified with respect to this matter.

Other Information
Management is responsible for the other information. Other information comprises the Manager's report as required by the U.A.E. Federal Law No. (2) of 2015, which we obtained prior to the date of this auditor's report. 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 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 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 the 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 of financial statements that gives a true and fair view in accordance with IFRSs, and for their compliance with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015, 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.

continued...

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

Report on Other Legal and Regulatory Requirements
Further, as required by the U.A.E. Federal Law No. (2) of 2015, we report that:

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

ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015;

iii) The Company has maintained proper books of account;

iv) The financial information included in the Manager's report is consistent with the books of account of the Company;

v) The Company has not purchased or invested in any shares during the financial year ended 31 March 2021;

vi) Note 11 to the financial statements reflects material related party transactions and balances, and the terms under which they were conducted;

vii) The Company has not made any social contributions during the financial year ended 31 March 2021; and

viii) 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 March 2021 any of the applicable provisions of the U.A.E. Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2021 and there are no penalties imposed on the Company.

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Sharjah
United Arab Emirates
10 May 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 AED	2020 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	151,899	300,397
Intangible asset	7	12,105	8,782
		164,004	309,179
Current assets			
Inventories	8	109,185	133,056
Other receivables	9	62,709	51,000
Other current assets	10	89,247	57,546
Due from a related party	11	467,888	39,417
Cash and cash equivalents	12	481,618	622,274
		1,210,647	903,293
Total assets		1,374,651	1,212,472
EQUITY AND LIABILITIES			
Equity funds			
Share capital	13	300,000	300,000
Statutory reserve		108,424	108,424
Retained earnings		111,905	117,089
Total equity funds		520,329	525,513
Non-current liability			
Provision for staff end-of-service benefits	14	299,216	289,786
Lease liabilities	15	--	--
		299,216	289,786
Current liabilities			
Trade and other payables	16	175,767	104,594
Other current liabilities	17	276,102	222,634
Due to a related party	11	33,002	--
Contract liabilities	18	70,235	69,945
		555,106	397,173
Total liabilities		854,322	686,959
Total equity and liabilities		1,374,651	1,212,472

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 6.

Approved and authorised for issue by the shareholders on 10 May 2021 and signed on their behalf by Mr. Anand Venkatraman Vaidyanathan.

For MINAL MEDICAL CENTRE L.L.C, SHARJAH

Anand

MANAGER

مركز مينال الطبي ذ.م.م
P.O.Box: 24680 Sharjah - U.A.E.
MINAL MEDICAL CENTRE L.L.C.

AUDITORS PKF U.A.E.

MINAL MEDICAL CENTRE L.L.C, SHARJAH

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 AED	2020 AED
Revenue	21	**2,723,672**	3,369,432
Purchases of inventory		**(592,184)**	(495,745)
Changes in Inventories		**170,618**	5,204
Gross profit		**2,302,106**	2,878,891
Other income	22	**81**	--
Staff costs	23	**(1,520,970)**	(1,907,870)
Depreciation	24	**(150,197)**	(253,228)
Other operating expenses	25	**(636,204)**	(572,835)
(LOSS)/PROFIT FOR THE YEAR		**(5,184)**	144,958
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(5,184)**	144,958

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 6.

AUDITORS PKF U.A.E.

MINAL MEDICAL CENTRE L.L.C, SHARJAH

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 2019	300,000	93,928	16,280	410,208
Adjustment on account of adoption of IFRS 16	--	--	70,347	70,347
Restated balance at 1 April 2019	300,000	93,928	86,627	480,555
Total comprehensive income for the year	--	--	144,958	144,958
Transfers	--	14,496	(14,496)	--
Dividends paid during the year	--	--	(100,000)	(100,000)
Balance at 31 March 2020	300,000	108,424	117,089	525,513
Total comprehensive income for the year	--	--	(5,184)	(5,184)
Balance at 31 March 2021	**300,000**	**108,424**	**111,905**	**520,329**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 6.

AUDITORS PKF U.A.E.

MINAL MEDICAL CENTRE L.L.C, SHARJAH

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 AED	2020 AED
Cash flows from operating activities		
(Loss)/profit for the year	**(5,184)**	144,958
Adjustments for:		
Depreciation of property, plant and equipment	**150,197**	253,228
Assets written off	**601**	6,855
Credit balance written back	**(79)**	--
Provision for slow moving inventory	**--**	6,367
Provision for staff end-of-service benefits	**22,796**	62,325
	168,331	473,733
Changes in:		
- Inventories	**23,871**	(5,204)
- Other receivables	**(11,709)**	6,794
- Other current assets	**(31,701)**	17,644
- Trade and other payables	**71,252**	(135,851)
- Other current liabilities	**53,468**	(74,911)
- Contract liabilities	**290**	(31,385)
Staff end-of-service benefits paid	**(7,879)**	(34,905)
Net cash generated from operating activities	**265,923**	215,915
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	**(2,300)**	(7,781)
Payment for intangible asset	**(3,323)**	(8,782)
(Increase)/decrease in amounts due from a related party	**(433,958)**	10,583
Net cash used in investing activities	**(439,581)**	(5,980)
Cash flows from financing activities		
Receipts from a related party	**33,002**	--
Dividends paid	**--**	(100,000)
Net cash generated from / (used) in financing activities	**33,002**	(100,000)
Net (decrease)/increase in cash and cash equivalents	**(140,656)**	109,935
Cash and cash equivalents at beginning of year	**622,274**	512,339
Cash and cash equivalents at end of year (note 12)	**481,618**	622,274

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 6.

AUDITORS PKF U.A.E.

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **MINAL MEDICAL CENTRE L.L.C, SHARJAH** (the "Company") is a limited liability company registered in Sharjah, United Arab Emirates, in accordance with the provision of Federal Law no. 2 of 2015. The principal place of business is # 401-402, Al Majaz, Behind Al Buhaira Corniche Road, PO Box: 24680, Sharjah, U.A.E.

b) The Company is engaged in the business of providing clinical and dermatological services.

c) The parent company is Kaya Middle East DMCC and the ultimate parent company is Kaya Limited a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange.

d) The Company was initially registered as a civil company on 19 May 1997 and commenced its operations since then. With effect from 7 December 2016, vide a share transfer agreement, Kaya Middle East DMCC acquired controlling stake in the Company and the Company was converted into limited liability company carrying on the same business activities.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2020, and the requirements of U.A.E. Federal Law No. (2) of 2015.

b) Basis of measurement

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) Going concern

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in clinical and dermatological services, a short-term impact may be experienced in Company's business activities and/or cash flows but there is no change in Management's going concern assessment or business strategy.

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Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the financial statements (See Note 5).

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current year

The following amendments, improvements and interpretations which became effective 1 April 2020, did not have any significant impact on the Company's financial statements:

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

New and revised IFRSs in issue but not yet effective

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 – Interest Rate Benchmark - Phase 2 (1 January 2021)
- Amendments to IFRS 3 – Reference to Conceptual Framework (1 January 2022)
- Amendments to IAS 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)

e) **Functional and presentation currency**

The financial statements are presented in U.A.E. Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

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Right-of-use asset	3 years
Plant and machinery	5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

The Company has presented right-of-use assets representing the right to use the underlying assets under property, plant and equipment [Refer notes 3 (p) and 6].

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for 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 expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Intangible asset**

Capital work-in -progress is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant asset is ready for use.

c) **Impairment of tangible and intangible assets**

At each reporting date, the management 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. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and 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.

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If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

e) **Staff end-of-service benefits**

Provision is made for staff end-of-service benefits payable to non-U.A.E. national employees at the reporting date in accordance with the local labour laws.

f) **Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by Article 103 of the U.A.E. Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

g) **Revenue recognition**

The Company is engaged in the business of providing clinical and dermatological services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the 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.

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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. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods
The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of significant financing components.

The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in IFRS 15 and not adjusted the consideration for significant financing component.

Sale of services
The Company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of being distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

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- The customer simul 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 entity has an enforceable right to payment or performance completed to date.

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

h) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

i) **Staff costs recharged**

Staff costs recharged represent represents salary costs of certain common staff whose services were availed by the Company as per the terms agree agreed with a related party.

j) **Leases**

As a lessee

The Company leases its clinic premises. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability 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.

In the previous year, the management had adopted IFRS 16 Leases from 1 April 2019 and accordingly had recognised lease liability amounting for its office premise. However, in the first quarter of the current year, the management had derecognised the cost and accumulated depreciation pertaining to the right of use asset, and taken the short-term lease exemption.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases is recognised as expense on a straight-line basis over the lease term.

k) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

l) **Foreign currency transactions**

Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

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Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

m) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

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. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

n) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

o) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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p) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

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

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- 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
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

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1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

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.

The financial assets at amortised cost comprise of other receivables, due from a related party and cash and cash equivalents.

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

Financial liabilities at amortised cost comprise of trade and other payables and due to a related party.

Impairment of financial assets
Loss allowances are measured on either of the following basis:
- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:
- Bank balances, due from a related party 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.

The Company has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 supportive 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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The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The customer/borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised 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 assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting
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.

Equity
Equity instruments issued by the Company are recorded at the value of proceeds received/receivable towards interest in share capital of the Company.

y) **Fair value measurement**
The Company discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

AUDITORS PKF

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

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.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment and intangible asset to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

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.

For leases of clinic premises, the following factors are normally the most relevant:

- If there are significant penalties to not extend (or terminate), 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 extent (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.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), which is 6.25%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Company against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Company's specific risk, term risk and underlying asset risk. Majority of the leases are present in the U.A.E. and accordingly no adjustment for the economic environment was deemed required.

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Recognition of revenue and allocation of transaction price

Identification of performance obligations

Revenue from sale of services is recognised over time as performance obligations are fulfilled in accordance with IFRS 15 – Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from sale of services is to be recognised over time as the customer simultaneously receives the benefit as the sessions is consumed.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made 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 financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 113,003 (previous year AED 139,423) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant and equipment and intangible assets are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(p).

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Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 299,216 (previous year AED 289,786), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Impact of Covid-19

Since the Covid-19 outbreak is evolving rapidly, the Company continues to assess the impact on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy including the operations of the Company. However, the management concluded that there is no significant impact of Covid-19 on its operations and/or cash flows due to nature of the Company's business activities.

6. PROPERTY, PLANT AND EQUIPMENT

	Right of use asset[a]	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED	AED
Cost					
At 1 April 2019	--	4,465,328	595,186	104,357	5,164,871
Adjustment on account of adoption of IFRS 16: Leases	686,229	--	--	--	686,229
Additions	--	381	7,400	--	7,781
Assets written off	--	--	(26,146)	--	(26,146)
At 31 March 2020	686,229	4,465,709	576,440	104,357	5,832,735
Additions	--	1,400	900	--	2,300
Adjustments on assets written off	--	--	(2,150)	--	(2,150)
Adjustment due to derecognition	(686,229)	--	--	--	(686,229)
At 31 March 2021	--	**4,467,109**	**575,190**	**104,357**	**5,146,656**
Accumulated depreciation					
At 1 April 2019	--	4,183,390	522,033	78,400	4,783,823
Adjustment on account of adoption of IFRS 16: Leases	514,578	--	--	--	514,578
Depreciation	137,471	93,654	16,911	5,192	253,228
Adjustments on assets written off	--	--	(19,291)	--	(19,291)
At 31 March 2020	652,049	4,277,044	519,653	83,592	5,532,338
Depreciation	34,180	67,037	28,215	20,765	150,197
Adjustments on assets written off	--	--	(1,549)	--	(1,549)
Adjustment due to derecognition	(686,229)	--	--	--	(686,229)
At 31 March 2021	--	**4,344,081**	**546,319**	**104,357**	**4,994,757**
Carrying amount					
At 1 April 2019	--	281,938	73,153	25,957	381,048
At 31 March 2020	34,180	188,665	56,787	20,765	300,397
At 31 March 2021	--	**123,028**	**28,871**	--	**151,899**

AUDITORS PKF U.A.E.

(a) This represented the right to use the clinic premises on lease. In the previous year, the management had adopted IFRS 16 Leases from 1 April 2019 for its office premise. However, in the first quarter of the current year, the management has derecognised the cost and accumulated depreciation pertaining to the right of use asset and taken the short-term lease exemption.

7. INTANGIBLE ASSET

	Capital work in progress[(a)] AED
Cost	
At 1 April 2019 and 31 March 2020	8,782
Additions	3,323
At 31 March 2021	**12,105**
Accumulated amortisation	
At 1 April 2019,31 March 2020 and 31 March 2021	--
Carrying amount	
At 1 April 2019	--
At 31 March 2020	8,782
At 31 March 2021	**12,105**

(a) Capital work-in-progress represents costs incurred for software installation which is in progress at year end.

	2021 AED	2020 AED
8. INVENTORIES		
Consumables	**113,003**	139,423
Less: Provision for slow moving inventories	**(3,818)**	(6,367)
	109,185	133,056

A reconciliation of the movements in the provision for slow-moving inventories is as follows:

Opening balance	**6,367**	--
Provisions made during the year	**--**	6,367
Inventories written off	**(2,549)**	--
Closing balance	**3,818**	6,367

9. DEPOSITS AND OTHER RECEIVABLES		
Credit card receivables	**7,689**	--
Deposits	**55,020**	51,000
	62,709	51,000

AUDITORS PKF U.A.E.

	2021 AED	2020 AED
10. OTHER CURRENT ASSETS		
Other advances	**3,413**	--
Prepayments	**85,834**	57,546
	89,247	57,546

11. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the shareholders and fellow subsidiaries.

At the reporting date, significant balances with related parties were as follows:

	Fellow subsidiaries AED	**Total 2021 AED**	Total 2020 AED
Due from a related party	467,888	**467,888**	
	39,417		39,417
Due to a related party	33,002	**33,022**	
	--		--

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 26.

Significant transactions with related parties during the year were as follows:

	Shareholders AED	**Fellow subsidiaries AED**	**Total 2021 AED**	Total 2020 AED
Recharge of staff costs by a related party		28,500	**28,500**	
	--	--		--
Recharge of staff costs to a related party	--	501,346	**501,346**	
	--	473,002		473,002
Recharge of other costs by related parties	--	37,961	**37,961**	
	--	--		--
Provision for staff end-of-service benefits transferred to a related party	--	5,487	**5,487**	
	--	--		--
Staff costs	360,000	--	**360,000**	
	360,000	--		360,000
Dividend paid	--	--	**--**	
	100,000	--		100,000
Additions to capital work in progress (note 7)	--	3,323	**3,323**	
	--	8,782		8,782

The Company also receives funds from/provides funds to related parties as working capital facilities, free of interest.

		2021 AED	2020 AED
12.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**4,391**	168
	Bank balances in current accounts	**477,227**	622,106
		481,618	622,274
13.	**SHARE CAPITAL**		
	Paid up:		
	300 shares of AED 1,000 each	**300,000**	300,000

The shareholders at 31 March 2021 and 31 March 2020 and their interest in the share capital of the company were as follows.

Name	No. of shares	AED
Mr. Adeeb Salem Abdulla Salem	153	153,000
Ms. Minal Patwardhan Andrade	75	75,000
Kaya Middle East DMCC	72	72,000
	300	**300,000**

		2021 AED	2020 AED
14.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	**289,786**	262,366
	Provision for the year	**22,796**	62,325
	Transferred to a related party	**(5,487)**	--
	Paid during the year	**(7,879)**	(34,905)
	Closing balance	**299,216**	289,786

15. **LEASE LIABILITIES**

In the previous year, the management had adopted IFRS 16 Leases from 1 April 2019 for its office premise. The Company has not accounted the interest expense as the entire lease rental was paid in advance in year 2016 at the time of entering into the contract on a single cheque. Due to this, there were no lease liability accounted on initial application of the standard.

		2021 AED	2020 AED
16.	**TRADE AND OTHER PAYABLES**		
	Trade payables	**115,841**	62,963
	Accruals	**30,243**	33,707
	Other payables	**29,683**	7,924
		175,767	104,594

The entire trade and other payables are due for payment in one year.

AUDITORS PKF

		2021	2020
		AED	AED
17.	**OTHER CURRENT LIABILITIES**		
	VAT payable(net)	15,645	30,875
	Other liabilities	260,457	191,759
		276,102	222,634
18.	**CONTRACT LIABILITIES**		
	Contract liabilities relating advance received to fulfill a contract	70,235	69,945
	Disclosed as:		
	Current contract liabilities	70,235	69,945

19. **DIVIDENDS**

Dividends declared and approved by the shareholders during the year of AED nil (previous year AED 100,000) represent a dividend per share of AED nil (previous year AED 333).

20. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position and due from/due to a related party. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 301 of the U.A.E. Federal Law No. (2) of 2015. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds provided to related parties are retained in the business, according to the business requirements and to maintain capital at desired levels.

21. **REVENUE**

The Company generates revenue from sale of goods at a point in time and rendering services over a period of time. The disaggregated revenue from contracts with customers by geographical segments, major goods/service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2021	2020
	AED	AED
Primary Geographical segments		
- U.A.E.	2,723,672	3,369,432

AUDITORS PKF U.A.E.

	2021 AED	2020 AED
Major service lines		
- Products	454,920	486,333
- Services	2,268,752	2,883,099
	2,723,672	3,369,432
Timing of revenue recognition		
- At a point in time	454,920	486,333
- Over period of time	2,268,752	2,883,099
	2,723,672	3,369,432

22. OTHER INCOME

Credit balance written back	79	--
Exchange gain	2	--
	81	--

23. STAFF COSTS

Staff salaries and benefits (note 27)	1,971,020	2,318,547
Staff end-of-service benefits	22,796	62,325
	1,993,816	2,380,872
Add: Recharges by a related party	28,500	--
Less: Recharged to a related party	(501,346)	(473,002)
	1,520,970	1,907,870

24. DEPRECIATION

Depreciation of property, plant and equipment[(a)]	150,197	253,228

(a) Includes depreciation on Right-of-Use asset of AED 34,180 (previous year AED 137,471).

25. OTHER OPERATING EXPENSES

Property, plant and equipment written off	601	6,855
Provision for slow moving inventory	--	6,367
Operating lease expenses	138,750	230
Legal and professional fees	114,777	231,284
Bank charges	48,782	51,126
Repair and maintenance	157,782	170,188
Other expenses (note 27)	137,551	106,785
Recharge of other costs by related parties	37,961	--
	636,204	572,835

26. FINANCIAL INSTRUMENTS

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

AUDITORS PKF

	At amortised cost	
	2021	2020
	AED	AED
Financial assets		
Other receivables	62,709	51,000
Due from a related party	467,888	39,417
Cash and cash equivalents	481,618	622,274
	1,012,215	712,691
Financial liabilities		
Trade and other payables	175,767	104,594
Due to a related party	33,002	--
	208,769	104,594

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, other receivables and due from a related party.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from other receivables and due from a related party taking into account their financial position, past experience and other factors. Based on the assessment, individual risk limits are determined.

At the reporting date, there is no significant concentration of credit risk from other receivables (previous year Nil)

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Company's customers are mainly individuals.

AUDITORS PKF U.A.E

Currency risk
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk
The Company is not exposed to any significant interest rate risk.

Fair values
The management assesses the fair value of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, other receivables, due from a related party and trade and other payables, due to a related party approximate their carrying amounts largely due to the short-term maturities of these instruments.

27. COMPARATIVE INFORMATION

Previous year's amounts with respect to the following has been regrouped/reclassified as follows as it is considered that the revised grouping/classification, which has been adopted in the current accounting year, more fairly presents the state of affairs/results of operations:

	Reclassified from	**Reclassified to**	**Amount AED**
Visa expenses	Other expenses	Staff costs	46,540

For **MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C**

MANAGER

مركز مينال الطبي ذ.م.م
P.O.Box: 24680 Sharjah - U.A.E.
MINAL MEDICAL CENTRE L.L.C.

AUDITORS PKF U.A.E.

MINAL MEDICAL CENTRE L.L.C.

Financial statements and reports
Year ended 31 March 2021

MINAL MEDICAL CENTRE L.L.C.

Financial statements and reports
Year ended 31 March 2021

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MINAL MEDICAL CENTRE L.L.C.

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The manager submits his report and financial statements for the year ended 31 March 2021. I approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Results and dividends

The profit for the year amounted to AED 1,456,908. An amount of AED 1,750,000 has been declared and paid as dividend during the year ended 31 March 2021.

Review of the business

The Company's principal activity during the year was providing clinical and dermatological services.

Legal and regulatory requirements

The Company has complied with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015.

Significant events

There are no significant events since the end of the year.

Shareholders and their interests

The shareholders at 31 March 2021 and 31 March 2020 and their interest in the share capital of the Company were as follows.

Name	No. of shares	AED
Mr. Adeeb Salem Abdulla Salem	153	153,000
Ms. Minal Patwardhan Andrade	75	75,000
Kaya Middle East DMCC	72	72,000
	300	**300,000**

Independent auditor

PKF were appointed as independent auditor for the year ended 31 March 2021 and it is proposed that they be re-appointed for the year ending 31 March 2022.

Manager
4 May 2021

مينال ميديكال سنتر ش.ذ.م.م
P.O.Box: 213563
DUBAI - U.A.E.
MINAL MEDICAL CENTRE L.L.C

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MINAL MEDICAL CENTRE L.L.C.

Report on the Audit of Financial Statements

Opinion
We have audited the financial statements of **MINAL MEDICAL CENTRE L.L.C.** (the "Company") which comprise the statement of financial position as at 31 March 2021, 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 give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the U.A.E., 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.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matters**
Revenue	
The Company reported a revenue of AED 6,154,628 from skin care treatments and aesthetics, and providing related advisory services.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following:

continued...

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
Revenue (contd.)	
We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	• obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports); • Reviewing the control environment and testing of internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing of design, implementation and the operating effectiveness of the relevant controls; • Test of IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • Testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the year; • performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the year; • Selected a sample of transactions before and after the year to verify recognition in the current reporting period; • reviewing key reconciliations performed by the Revenue Assurance team; • performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with IFRSs; and • assessing the disclosures in the financial statements relating to revenue as per the requirements of IFRSs.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Emphasis of Matter
We draw attention to Note 2(c) to the financial statements, which states that the uncertainty due to recent Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of the management's assessment of the Company's ability to continue as a going concern. Given the uncertainty of the situation, the duration of business disruption and related financial impact, if any cannot be reasonably estimated as of the date of our report.

Our opinion is not modified with respect to this matter.

Other Information
Management is responsible for the other information. Other information comprises the Manager's report as required by the U.A.E. Federal Law No. (2) of 2015, which we obtained prior to the date of this auditor's report. 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 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 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 the 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 of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015, 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.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

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

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

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

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

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

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

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

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.

continued...

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INDEPENDENT AUDITOR'S REPORT
(continued)

Report on Other Legal and Regulatory Requirements
Further, as required by the U.A.E. Federal Law No. (2) of 2015, we report that:

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

ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015;

iii) The Company has maintained proper books of account;

iv) The financial information included in the Manager's report is consistent with the books of account of the Company;

v) The Company has not purchased or invested in any shares during the financial year ended 31 March 2021;

vi) Note 11 to the financial statements reflects material related party transactions and balances, and the terms under which they were conducted;

vii) The Company has not made any social contributions during the financial year ended 31 March 2021; and

viii) 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 March 2021 any of the applicable provisions of the U.A.E. Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2021 and there are no penalties imposed on the Company.

For PKF

Vinod M. Joshi
Partner
Auditor registration no. 1200
Sharjah
United Arab Emirates
4 May 2021

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 AED	2020 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	**1,202,761**	475,369
Intangible asset	7	**12,105**	8,782
		1,214,866	484,151
Current assets			
Inventories	8	**134,954**	211,520
Other receivables	9	**232,700**	177,145
Other current assets	10	**52,550**	120,813
Cash and cash equivalents	12	**1,628,452**	877,024
		2,048,656	1,386,502
Total assets		**3,263,522**	1,870,653
EQUITY AND LIABILITIES			
Equity funds			
Share capital	13	**300,000**	300,000
Statutory reserve		**150,000**	150,000
Retained earnings		**95,861**	388,953
Total equity funds		**545,861**	838,953
Non-current liabilities			
Provision for staff end-of-service benefits	14	**156,047**	123,576
Lease liabilities	15	**428,476**	--
		584,523	123,576
Current liabilities			
Lease liabilities	15	**264,136**	--
Trade and other payables	16	**730,557**	287,878
Other current liabilities	17	**347,142**	344,071
Contract liabilities	18	**288,895**	236,758
Due to a related party	11	**502,408**	39,417
		2,133,138	908,124
Total liabilities		**2,717,661**	1,031,700
Total equity and liabilities		**3,263,522**	1,870,653

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 6.

Approved and authorised for issue by the shareholders on 4 May 2021 and signed on their behalf by Mr. Anand Venkatraman Vaidyanathan.

For **MINAL MEDICAL CENTRE L.L.C.**

MANAGER

ميnال ميديكال سنتر ش.ذ.م.م
P.O.Box: 213563
DUBAI - U.A.E.
MINAL MEDICAL CENTRE L.L.C

AUDITORS
PKF
U.A.E.

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 AED	2020 AED
Revenue	21	**6,154,628**	6,815,290
Purchases of inventory		**(1,204,398)**	(1,291,733)
Changes in Inventories		**(17,689)**	(23,583)
Gross profit		**4,932,541**	5,499,974
Other income	22	**6,936**	--
Staff costs	23	**(2,218,560)**	(2,673,157)
Depreciation	24	**(292,816)**	(428,712)
Other operating expenses	25	**(955,728)**	(1,016,503)
Interest income	26	**--**	189
Finance cost	27	**(15,465)**	(2,709)
PROFIT FOR THE YEAR		**1,456,908**	1,379,082
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,456,908**	1,379,082

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 6.

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 2019	300,000	150,000	615,465	1,065,465
Adjustment on account of adoption of IFRS 16	--	--	43,058	43,058
Total comprehensive income for the year	--	--	1,379,082	1,379,082
Dividends paid during the year	--	--	(1,648,652)	(1,648,652)
Balance at 31 March 2020	300,000	150,000	388,953	838,953
Total comprehensive income for the year	--	--	1,456,908	1,456,908
Dividends paid during the year	--	--	(1,750,000)	(1,750,000)
Balance at 31 March 2021	**300,000**	**150,000**	**95,861**	**545,861**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 6.

AUDITORS PKF U.A.E.

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 AED	2020 AED
Cash flows from operating activities		
Profit for the year	1,456,908	1,379,082
Adjustments for:		
Depreciation of property, plant and equipment	292,816	428,712
Provision for slow moving inventory	--	13,385
Property, plant and equipment written off	530	5,749
Interest income	--	(189)
Credit balance written back	(6,691)	--
Finance cost	15,465	2,709
Provision for staff end-of-service benefits	26,984	34,735
	1,786,012	1,864,183
Changes in:		
- Inventories	76,566	23,583
- Other receivables	(55,555)	46,983
- Other current assets	68,263	241,169
- Trade and other payables	449,370	(188,536)
- Other current liabilities	3,071	59,598
- Contract liabilities	52,137	(84,262)
Staff end-of-service benefits paid	--	(50,647)
Cash generated from operations	2,379,864	1,912,071
Interest paid	(15,465)	(2,709)
Net cash generated from operating activities	2,364,399	1,909,362
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(193,590)	(21,981)
Payment for intangible assets	(3,323)	(8,782)
Interest received	--	189
Net cash used in investing activities	(196,913)	(30,574)
Cash flows from financing activities		
Dividends paid	(1,750,000)	(1,648,652)
Payment of lease liabilities	(134,536)	(207,292)
Receipts/(payments) to related parties	468,478	(10,583)
Net cash used in financing activities	(1,416,058)	(1,866,527)
Net increase in cash and cash equivalents	751,428	12,261
Cash and cash equivalents at beginning of year	877,024	864,763
Cash and cash equivalents at end of year (note 12)	1,628,452	877,024

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 6.

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1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **MINAL MEDICAL CENTRE L.L.C.** (the "Company") is a limited liability company registered in Dubai, United Arab Emirates, in accordance with the provisions of U.A.E. Federal Law No. (2) of 2015. The principal place of business is clinic no. 262-2/V25, Jumeirah, PO Box: 213563, Dubai, U.A.E.

b) The Company is engaged in the business of providing clinical and dermatological services.

c) The parent company is Kaya Middle East DMCC and the ultimate parent company is Kaya Limited, a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange

d) The Company was initially registered as a civil company on 11 August 2010 and commenced its operations since then. With effect from 7 December 2016, vide a share transfer agreement, Kaya Middle East DMCC acquired controlling stake in the Company and the Company was converted into limited liability company carrying on the same business activities.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2020, and the requirements of U.A.E. Federal Law No. (2) of 2015.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in clinical and dermatological services, a short-term impact may be experienced in Company's business activities and/or cash flows but there is no change in Management's going concern assessment or business strategy.

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Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the financial statements (See Note 5).

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current year

The following amendments, improvements and interpretations which became effective 1 April 2020, did not have any significant impact on the Company's financial statements:

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

New and revised IFRSs in issue but not yet effective

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 – Interest Rate Benchmark - Phase 2 (1 January 2021)
- Amendments to IFRS 3 – Reference to Conceptual Framework (1 January 2022)
- Amendments to IAS 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)

e) **Functional and presentation currency**

The financial statements are presented in U.A.E. Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

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a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Right-of-use asset	3 years
Plant and machinery	5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

The Company has presented right-of-use assets representing the right to use the underlying assets under property, plant and equipment [Refer notes 3 (j) and 6].

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 expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Intangible asset**

Capital work-in -progress is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant asset is ready for use.

c) **Impairment of tangible and intangible assets**

At each reporting date, the management 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. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

e) **Staff end-of-service benefits**

Provision is made for staff end-of-service benefits payable to non-U.A.E. national employees at the reporting date in accordance with the local labour laws.

f) **Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by Article 103 of the U.A.E. Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

g) **Revenue recognition**

The Company is engaged in the business of providing clinical and dermatological services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

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1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the 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.
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. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises 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 Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods
The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of significant financing components.

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The Company receives short short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in IFRS 15 and not adjusted the consideration for significant financing component.

Sale of services

The Company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of being distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, 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 entity has an enforceable right to payment or performance completed to date.

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

h) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

i) **Staff costs recharged**

Staff costs recharged represent represents salary costs of certain common staff whose services were availed by the Companies as per the terms agree agreed with a related party.

j) **Leases**

The Company leases its clinic premises. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

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Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any initial costs; and
- restoration costs.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability 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.

This represents represented the right to use of the clinic premises on lease. This lease is for a period of 5 years. This lease was for a period of 3 years. However, the lease has expired in November 2019 and the renewed lease agreement was for a lease period of one year due to which the Company has taken the exemption available for short term leases under IFRS 16: Leases. Consequently, the Company has derecognised the cost and accumulated depreciation pertaining to the right of use asset.

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In the current year, the management has reassessed the lease contract and recorded Right-of-Use assets and corresponding lease liabilities in the books since the management intend to use the office premise for a period of 5 years as per principles of IFRS 16 Leases.

Short-term leases
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k) **Cash and cash equivalents**
Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

l) **Foreign currency transactions**
Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

m) **Provisions**
A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

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. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

n) **Value added tax**
As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

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o) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

p) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

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

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

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Derecognition
Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- 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
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement
A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

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.

The financial assets at amortised cost comprise of other receivables and cash and cash equivalents.

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

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Financial liabilities at amortised cost comprise of trade and other payables, due to a related party and lease liabilities.

Impairment of financial assets

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- 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.

The Company has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 supportive 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 a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised 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 assets have occurred.

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Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

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.

Equity

Equity instruments issued by the Company are recorded at the value of proceeds received/receivable towards interest in share capital of the Company.

q) **Fair value measurement**

The Company also discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

The 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.

4. **SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

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.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment and intangible assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

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The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

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.

For leases of clinic premises, the following factors are normally the most relevant:

- If there are significant penalties to not extend (or terminate), 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 extent (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.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), which is 6.25%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Company against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Company's specific risk, term risk and underlying asset risk. Majority of the leases are present in the U.A.E. and accordingly no adjustment for the economic environment was deemed required.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with IFRS 15 – Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

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The Company concluded that revenue from services is to be recognised over time as the customer simultaneously receives the benefit as the sessions is consumed.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made 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 financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 146,691 (previous year AED 224,905) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant and equipment and intangible asset are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(p).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 156,047 (previous year AED 123,576), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

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Impact of Covid-19

Since the Covid-19 outbreak is evolving rapidly, the Company continues to assess the impact on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy including the operations of the Company. However, the management concluded that there is no significant impact of Covid-19 on its operations and/or cash flows due to nature of the Company's business activities.

6. PROPERTY, PLANT AND EQUIPMENT

	Right of use asset[a] AED	Plant and machinery AED	Furniture, fixtures and office equipment AED	Vehicles AED	Total AED
Cost					
At 1 April 2019	--	1,923,229	326,663	88,400	2,338,292
Adjustment on account of adoption of IFRS 16	1,158,005	--	--	--	1,158,005
Additions	--	381	21,600	--	21,981
Adjustment on account of derecognition[a]	(1,158,005)	--	--	--	(1,158,005)
Assets written off	--	--	(15,108)	--	(15,108)
At 31 March 2020	--	1,923,610	333,155	88,400	2,345,165
Addition on account of IFRS 16[b]	827,148	--	--	--	827,148
Additions	--	184,665	8,925	--	193,590
Assets written off	--	--	(2,150)	--	(2,150)
At 31 March 2021	**827,148**	**2,108,275**	**339,930**	**88,400**	**3,363,753**
Accumulated depreciation					
At 1 April 2019	--	1,470,093	178,487	52,213	1,700,793
Adjustment on account of adoption of IFRS 16	907,655	--	--	--	907,655
Depreciation	250,350	138,430	32,695	7,237	428,712
Adjustment on account of derecognition[a]	(1,158,005)	--	--	--	(1,158,005)
Adjustments on assets written off	--	--	(9,359)	--	(9,359)
At 31 March 2020	--	1,608,523	201,823	59,450	1,869,796
Depreciation	92,157	119,317	52,737	28,605	292,816
Adjustments on assets written off	--	--	(1,620)	--	(1,620)
At 31 March 2021	**92,157**	**1,727,840**	**252,940**	**88,055**	**2,160,992**
Carrying amount					
At 1 April 2019	--	453,136	148,176	36,187	637,499
At 31 March 2020	--	315,087	131,332	28,950	475,369
At 31 March 2021	**734,991**	**380,435**	**86,990**	**345**	**1,202,761**

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(a) This represented the right to use of the clinic premises on lease. This lease was for a period of 3 years. However, the lease has expired in November 2019 and the renewed lease agreement was for a lease period of one year due to which the Company has taken the exemption available for short term leases under IFRS 16: Leases. Consequently, the Company has derecognised the cost and accumulated depreciation pertaining to the right of use asset.

(b) In the current year, the management has reassessed the lease contract and recorded Right-of-Use assets and corresponding lease liabilities in the books since the management intend to use the office premise for a period of 5 years as per principles of IFRS 16 Leases.

7. INTANGIBLE ASSET

	Capital work in progress[a] AED
Cost	
At 1 April 2019 and 31 March 2020	8,782
Additions	3,323
At 31 March 2021	**12,105**
Accumulated amortisation	
At 1 April 2019, 31 March 2020 and 31 March 2021	--
Carrying amount	
At 1 April 2019	--
At 31 March 2020	8,782
At 31 March 2021	**12,105**

(a) Capital work in progress represents costs incurred for software installation which is in progress at year end.

8. INVENTORIES

	2021 AED	2020 AED
Consumables	**146,691**	224,905
Less: Provision for slow moving inventories	**(11,737)**	(13,385)
	134,954	211,520

A reconciliation of the movements in the provision for slow-moving inventories is as follows

	2021 AED	2020 AED
Opening balance	**13,385**	--
Provisions made during the year	**--**	13,385
Inventories written off	**(1,648)**	--
Closing balance	**11,737**	13,385

AUDITORS PKF U.A.E.

		2021	2020
		AED	AED
9.	**OTHER RECEIVABLES**		
	Credit card receivables	30,158	--
	Deposits	177,145	177,145
	Staff advances	25,397	--
		232,700	177,145
10.	**OTHER CURRENT ASSETS**		
	Prepayments	40,990	118,382
	Advance for goods and services	11,560	2,431
		52,550	120,813

11. **RELATED PARTIES**

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the shareholders and fellow subsidiaries.

At the reporting date, significant balances with related parties are as follows:

	Shareholders	Fellow subsidiaries	Total 2021	Total 2020
	AED	AED	AED	AED
Due to related parties	--	502,408	502,408	
	--	39,417		39,417
Staff advances	22,077	--	22,077	
	--	--		--

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 28.

Significant transactions with related parties during the year were as follows:

	Shareholders	Fellow subsidiaries	Total 2021	Total 2020
	AED	AED	AED	AED
Staff salaries and benefits (note 23)	360,000	--	360,000	
	360,000	--		360,000
Staff costs recharge by related parties (note 23)	--	529,846	529,846	
		473,002		473,002
Other expenses recharged by a related party (note 25)	--	6,021	6,021	
	--	--		--

AUDITORS PKF U.A.E

	Shareholders AED	Fellow subsidiaries AED	Total 2021 AED	Total 2020 AED
Other expenses recharged to a related party (note 25)	--	33,458	33,458	
	--	--		--
Provision for staff end-of-service benefits transferred from a related party (note 14)	--	5,487	5,487	
	--	--		--
Additions to capital work in progress (note 7)	--	3,323	3,323	
	--	8,782		8,782
Dividends paid	1,750,000	--	1,750,000	
	1,648,652	--		1,648,652

The Company also receives funds from/provides funds to related parties as working capital facilities, free of interest.

		2021 AED	2020 AED
12.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	3,323	1,964
	Bank balances in current accounts	1,625,129	875,060
		1,628,452	877,024

		2021 AED	2020 AED
13.	**SHARE CAPITAL**		
	Paid up:		
	300 shares of AED 1,000 each	300,000	300,000

The shareholders at 31 March 2021 and 31 March 2020 and their interest in the share capital of the Company were as follows.

Name	No. of shares	AED
Mr. Adeeb Salem Abdulla Salem	153	153,000
Ms. Minal Patwardhan Andrade	75	75,000
Kaya Middle East DMCC	72	72,000
	300	300,000

		2021 AED	2020 AED
14.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	At 1 April	123,576	139,488
	Provision for the year	26,984	34,735
	Transferred from a related party	5,487	
	Paid during the year	-	(50,647)
	At 31 March	156,047	123,576

AUDITORS PKF U.A.E.

		2021 AED	2020 AED
15.	**LEASE LIABILITIES**		
	Lease liabilities for long term lease of clinic premise	692,612	--
	Disclosed in the combined statement of financial position as follows:		
	Non-current liabilities	428,476	--
	Current liabilities	264,136	--
		692,612	--
	A reconciliation of the movements in the lease liabilities is as follows:		
	At 1 April	--	--
	Adjustment as at 1 April 2020 (upon adoption of IFRS 16)	--	250,350
	Additions		--
	Lease liabilities for the year	827,148	--
	Payments made during the year	(134,536)	(207,292)
	Derecognised during the year	--	(43,058)
	At 31 March	692,612	--
	A maturity analysis of undiscounted lease liabilities is as follows:		
	0 - 3 months	64,523	--
	3 - 6 months	65,427	--
	6 months – 1 year	134,186	--
	Presented as current liabilities	264,136	--
	1 year – 12 years	485,864	--
		750,000	--

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the combined statement of financial position is as follows:

	2021 AED	2020 AED
Lease payments due	750,000	--
Less: Finance cost on leases	(57,388)	--
Disclosed in the statement of financial position	692,612	--

		2021 AED	2020 AED
16.	**TRADE AND OTHER PAYABLES**		
	Trade payables	519,353	195,208
	Creditors for capital goods	2,940	--
	Accruals	162,839	75,731
	Other payables	45,425	16,939
		730,557	287,878

The entire trade and other payables are due for payment in one year.

AUDITORS PKF U.A.E.

	2021 AED	2020 AED
17. OTHER CURRENT LIABILTIES		
VAT payable (net)	**62,359**	57,370
Other liabilities	**284,783**	286,701
	347,142	344,071
18. CONTRACT LIABILITIES		
Contract liabilities relating advance received to fulfil a contract	**288,895**	236,758
Disclosed as:		
Current contract liabilities	**288,895**	236,758

19. **DIVIDENDS**

Dividends declared and approved by the shareholders during the year of AED 1,750,000 (previous year AED 1,648,652) represent a dividend per share of AED 5,833 (previous year AED 5,496).

20. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position together with due to a related party. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 301 of the U.A.E. Federal Law No. (2) of 2015. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from related parties are retained in the business, according to the business requirements and to maintain capital at desired levels.

21. **REVENUE**

The Company generates revenue from sale of goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2021 AED	2020 AED
Primary Geographical segments		
- U.A.E.	**6,154,628**	6,815,290

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	2021 AED	2020 AED
Major service lines		
- Products	807,883	870,139
- Services	5,346,745	5,945,151
	6,154,628	6,815,290
Timing of revenue recognition		
- At a point in time	807,883	870,139
- Over period of time	5,346,745	5,945,151
	6,154,628	6,815,290

22. OTHER INCOME

Credit balance written back	6,691	--
Exchange gain	35	--
Miscellaneous income	210	--
	6,936	--

23. STAFF COSTS

Staff salaries and benefits[(a)]	1,661,730	2,165,420
Staff end-of-service benefits	26,984	34,735
Recharge of staff costs by a related party	529,846	473,002
	2,218,560	2,673,157

(a) Includes staff salaries and benefits paid to Ms. Minal Patwardhan Andrade, shareholder of AED 360,000 (previous year AED 360,00).

24. DEPRECIATION

Depreciation of property, plant and equipment[(a)]	292,816	428,712

(a) Includes depreciation on Right-of-Use asset of AED 92,157 (previous year AED 250,350).

25. OTHER OPERATING EXPENSES

Assets written off	530	5,749
Provision for slow moving inventory	--	13,385
Operating lease expenses	233,333	151,887
Legal and professional fees	133,871	300,981
Advertisement expenses	4,359	3,967
Bank charges	119,247	133,597
Repair and maintenance	219,994	265,404
Other expenses	271,831	141,533
Recharge of other expenses by a related party	6,021	--
	989,186	1,016,503
Recharge of other expenses to a related party	(33,458)	--
	955,728	1,016,503

AUDITORS PKF

		2021 AED	2020 AED
26.	**INTEREST INCOME**		
	On bank deposits	--	189
27.	**FINANCE COST**		
	On lease liabilities	15,465	2,709

28. **FINANCIAL INSTRUMENTS**

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2021 AED	2020 AED
Financial assets		
Other receivables	232,700	177,145
Cash and cash equivalents	1,628,452	877,024
	1,861,152	1,054,169
Financial liabilities		
Trade and other payables	730,557	287,878
Lease liabilities	692,612	--
Due to a related party	502,408	39,417
	1,925,577	327,295

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts and other receivables.

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The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date, there is no significant concentration of credit risk from receivables (previous year Nil)

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Company's customers are mainly individuals.

Currency risk
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk
Lease liabilities are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk.

Fair values
The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, other receivables, trade and other payables, short term lease liability and due to a related party approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

- Fair value of non-current lease liabilities is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

For **MINAL MEDICAL CENTRE L.L.C.**

MANAGER

مينال ميديكال سنتر ش.ذ.م.م
P.O.Box: 213563
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MINAL MEDICAL CENTRE L.L.C

AUDITORS
PKF
U.A.E.

IRIS MEDICAL CENTER LLC

Financial statements and reports
Year ended 31 March 2021

IRIS MEDICAL CENTER LLC

Financial statements and reports
Year ended 31 March 2021

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IRIS MEDICAL CENTER LLC

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The manager submits his report and financial statements for the year ended 31 March 2021. I approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Results and dividends
The loss for the year amounted to AED 424,519. The manager does not recommend any dividend for the year ended 31 March 2021.

Review of the business
The Company's principal activity during the year was to provide dermatology and venerology clinics services.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (2) of 2015.

The losses of the Company exceeded 50% of its share capital. As required by the UAE Federal Law No. (2) of 2015, the shareholders had called a General meeting in which the shareholders have resolved that the Company shall continue its operations.

Significant events
There are no significant events since the end of the year.

Shareholders and their interests
The shareholders at 31 March 2021 and 31 March 2020 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Mr. Abdulla Khalil Mohamed Samea Al Motawa	51	76,500
Kaya Middle East DMCC	34	51,000
Mr. Yaseer Ekram Moustafa Elassuity	15	22,500
	100	**150,000**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2021 and it is proposed that they be re-appointed for the year ending 31 March 2022.

Manager
3 May 2021

IRIS MEDICAL CENTRE - L.L.C. P.O.Box: 3773, Abu Dhabi - U.A.E. Tel 02-6665000

INDEPENDENT AUDITOR'S REPORT

To the shareholders of IRIS MEDICAL CENTER LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IRIS MEDICAL CENTER LLC** (the "Company"), which comprise the statement of financial position as at 31 March 2021, 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 give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the U.A.E., 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matters**
Revenue	
The Company reported a revenue of AED 655,470 from skin care treatments and aesthetics, and providing related advisory services. We focused this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of products and services, including a variety of plans available for customers. Due to the estimates made, complexities involved and judgements applied in the revenue process, we have considered this matter as a key audit matter.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following: • Obtaining an understanding of the significant revenue processes including performance of an end-to-end walkthrough of the revenue process and identifying the relevant controls (including Information Technology ("IT") systems, interfaces, revenue assurance and reports);

continued...

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Accountants & business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	**How our audit addressed the key audit matters**
Revenue (contd.)	
	• Reviewing the control environment and testing of internal controls over the completeness, accuracy and occurrence of revenue recognised, and testing of design, implementation and the operating effectiveness of the relevant controls; • Testing IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • Testing revenue on sample basis for their occurrence, accuracy and recognition, and the accounting treatments adopted and revenue recognised during the year; • Performing data analysis and substantive analytical reviews of significant revenue streams to identify inconsistencies and/or unusual movements during the year; • Selected a sample of transactions before and after the year to verify recognition in the current reporting period; • Reviewing key reconciliations performed by the Revenue Assurance team; • Performing specific procedures to test the accuracy and completeness of adjustments relating to grossing up certain revenue and costs; • Performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams are consistent, appropriate, and in accordance with IFRSs; and • Assessing the disclosures in the financial statements relating to revenue as per the requirements of IFRSs.

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INDEPENDENT AUDITOR'S REPORT
(continued)

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td colspan="2">Impairment of Property plant and equipment</td></tr>
<tr><td>As at 31 March 2021, the Company has property plant and equipment aggregating to AED 581,928 as disclosed in note 6 to the financial statements. In accordance with IAS 36 - Impairment of Assets, the Company is required to test the property, plant and equipment for impairment if indicators of impairment are present.

As disclosed in note 3 (a), the Company's accounting policy is to measure the property, plant and equipment at depreciated historical cost less impairment, if any. These assets are depreciated on a straight-line basis over their estimated useful life, to an estimated residual value at the end of its useful economic life. The estimation of residual value is a key management judgment in the application of Company's accounting policy on depreciation and, therefore, any changes to residual value will directly impact the depreciation charge for the current and future years. Management also needs to consider if there are any impairment indicators in accordance with IAS 36 - Impairment of Assets such as the deterioration in current or forecast trade activity, the incurrence of losses or other factors indicating that the assets may be impaired.

If there are impairment indicators, management needs to perform an impairment test and write down the value of assets where the recoverable amount is lower than the carrying value.

An impairment is recognised on the statement of financial position when the recoverable amount is less than the net carrying amount in accordance with IAS 36. The determination of the recoverable amount is based on discounted future cash flows and fair value less cost to sell (whichever is higher).</td><td>Our audit procedures included an assessment of the design and implementation of controls over the impairment analysis and calculations. We tested the design and operating effectiveness of relevant controls to determine the accuracy and completeness of provision for impairment. This included testing:

• Management review of impairment assessment annually including calculations performed and assumptions used for consistency; and
• Governance controls, including reviewing key meetings that form part of the approval process for provision for impairment.

In addition, we also performed the following substantive audit procedures:

• Engaged our internal valuation specialist to assess the valuation of the assets in particular, the discount rates used;
• Evaluated whether the models used by management to calculate the recoverable amount of assets with relevant accounting standard;
• Obtained and analysed underlying assumptions provided by management to determine whether these are reasonable and supportable;
• Analysed the discount rates and/or Weighted Average Cost of Capital (WACC);
• Reviewed projections to determine that enhancement capital expenditure has been excluded;
• Reperformed the arithmetical accuracy of the cash flow forecasts; and</td></tr>
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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
Impairment of Property plant and equipment (contd.)	
We considered the impairment of property, plant and equipment to be a key audit matter, given the complexity involved in the determination of the recoverable amount and the significance of the amount in the Company's financial statements. In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections and the estimate of the discount rate.	• Assessed management's basis of estimating the residual values and depreciation rates of assets and tested these to supporting information for reasonableness, such as any publicly or other available information on estimated residual values and compared the depreciation rates to the rates applied by other pharmaceutical companies; and • Assessed the disclosure in the financial statements as per the requirements of IFRSs.

Emphasis of Matter

We draw attention to Note 2 (c) to the financial statements which states that, the Company incurred a loss of AED 424,519 for the year ended 31 March 2021 and at that date, the Company's losses aggregated to AED 756,517, its current liabilities exceeded its current assets by AED 914,042 and it had a net deficit of AED 531,517 in equity funds. Further, the uncertainty due to Covid-19 outbreak with regard to the future impact on the business performance has been considered as part of the management's assessment of the Company's ability to continue as a going concern and the Company's operations may have been affected by this outbreak.

However, the ultimate parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, the financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises the Manager's report as required by the U.A.E. Federal Law No. (2) of 2015, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

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 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 the 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 of the financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 Law No. (2) of 2015, we report that:

i) we have obtained all the information we considered necessary for the purpose of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Manager's report is consistent with the books of account of the Company;

v) the Company has not purchased or invested in any shares during the financial year ended 31 March 2021.

vi) note 12 to the financial statements reflects material related party transactions and balances, and the terms under which they were conducted;

vii) the Company has not made any social contributions during the financial year ended 31 March 2021; and

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

viii) 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 March 2021 any of the applicable provisions of the U.A.E. Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2021 and there are no penalties imposed on the Company. Further, as referred in note 2 (c) to the financial statements, since the losses of the Company exceeded 50% of its share capital, as required by Article 301 of the U.A.E. Federal Law No. (2) of 2015, the shareholders of the Company called a General Meeting in which the shareholders resolved to continue with the operations of the Company.

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai
United Arab Emirates
17 May 2021

IRIS MEDICAL CENTER LLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 AED	2020 AED
Assets			
Non-current assets			
Property, plant and equipment	6	581,928	151,264
Intangible asset	7	12,105	8,782
Capital advance	8	--	13,279
		594,033	173,325
Current assets			
Inventories	9	26,080	33,478
Deposits and other receivables	10	47,014	43,000
Other current assets	11	33,650	239,589
Due from a related party	12	302,104	252,803
Cash and cash equivalents	13	21,297	125,408
		430,145	694,278
Total assets		1,024,178	867,603
EQUITY AND LIABILITIES			
Equity funds			
Share capital	14	150,000	150,000
Statutory reserve		75,000	75,000
Accumulated losses		(756,517)	(331,998)
Deficit in equity		(531,517)	(106,998)
Non-current liabilities			
Provision for staff end-of-service benefits	15	11,167	15,292
Lease liability	16	200,341	--
		211,508	15,292
Current liabilities			
Trade and other payables	17	62,207	305,300
Other current liability	18	17,111	27,549
Due to a related party	12	827,623	427,630
Contract liabilities	19	249,042	198,830
Lease liability	16	188,204	--
		1,344,187	959,309
Total liabilities		1,555,695	974,601
Total equity and liabilities		1,024,178	867,603

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 8.

Approved and authorised for issue by the shareholders on 17 May 2021 and signed on their behalf by Mr. Anand Venkatraman Vaidyanathan.

For **IRIS MEDICAL CENTER LLC**

Anand

MANAGER

AUDITORS PKF U.A.E.

مركز ايريس الطبي - ذ.م.م Tel 02-6665000 P.O.Box: 3772, Abu Dhabi - U.A.E. IRIS MEDICAL CENTRE - L.L.C.

IRIS MEDICAL CENTER LLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 AED	2020 AED
Revenue	21	**655,470**	950,686
Purchase of inventories		**(106,407)**	(235,449)
Changes in inventories		**7,137**	75,124
Gross profit		**556,200**	790,361
Other income	22	**16,018**	33,304
Staff costs	23	**(337,028)**	(926,305)
Depreciation	24	**(191,259)**	(405,516)
Impairment of property plant and equipment	6	--	(147,760)
Other operating expenses	25	**(462,509)**	(786,278)
Finance cost	26	**(5,941)**	--
LOSS FOR THE YEAR		**(424,519)**	(1,442,194)
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(424,519)**	(1,442,194)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 8.

AUDITORS PKF U.A.E.

IRIS MEDICAL CENTER LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Share capital AED	Statutory reserve AED	Retained earnings/ (accumulated losses) AED	Total AED
Balance at 1 April 2019	150,000	75,000	1,110,196	1,335,196
Total comprehensive income for the year	--	--	(1,442,194)	(1,442,194)
Balance at 31 March 2020	150,000	75,000	(331,998)	(106,998)
Total comprehensive income for the year	--	--	(424,519)	(424,519)
Balance at 31 March 2021	**150,000**	**75,000**	**(756,517)**	**(531,517)**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 8.

AUDITORS PKF U.A.E.

IRIS MEDICAL CENTER LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 AED	2020 AED
Cash flows from operating activities		
Loss for the year	(424,519)	(1,442,194)
Adjustments for:		
Depreciation of property, plant and equipment	191,259	405,516
Impairment of property plant and equipment	--	147,760
Capital advance written off	--	7,200
Assets written off	708	6,249
Debit balances written off	--	26,511
Provision for slow moving inventories	1,548	1,265
Credit balances written back	(15,996)	(32,963)
Provision for end-of-service gratuity	1,767	9,503
	(245,233)	(871,153)
Changes in:		
- Inventories	5,850	75,124
- Deposits and other receivables	(4,014)	(12,043)
- Other current assets	205,939	130,194
- Trade and other payables	(227,097)	(17,551)
- Other current liability	(10,438)	(22,940)
- Contract liabilities	50,212	(119,915)
Staff end-of service benefits paid	(3,132)	(15,017)
Net cash used in operating activities	(227,913)	(853,301)
Cash flows from investing activities		
Payment for property, plant and equipment	(16,748)	(5,415)
Payment for capital work in progress	(3,323)	--
Payment for capital advance	--	(13,279)
(Payments to)/receipts from a related party (net)	(49,301)	436,287
Net cash (used in)/from investing activities	(69,372)	417,593
Cash flows from financing activities		
Increase in due to a related party	397,233	427,630
Payment of lease liabilities	(204,059)	--
Net cash from financing activities	193,174	427,630
Net decrease in cash and cash equivalents	(104,111)	(8,078)
Cash and cash equivalents at beginning of year	125,408	133,486
Cash and cash equivalents at end of year (note 13)	21,297	125,408

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 8.

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1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **IRIS MEDICAL CENTRE LLC** (the "Company") is a limited liability company registered in Abu Dhabi, United Arab Emirates, in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended [repealed by U.A.E. Federal Law No. (2) of 2015]. The registered office is Villa Sheikh Mohammed Bin Khalid Al Nahyan, Corniche, Abu Dhabi, U.A.E.

b) The principal activity of the Company is to provide dermatology and venerology clinics services.

c) The Company is a subsidiary of Kaya Middle East DMCC (the "Parent company"), a company registered in Dubai, U.A.E. The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India which is listed on Bombay Stock Exchange and National Stock Exchange.

2. BASIS OF PREPARATION

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2020, and the requirements of UAE Federal Law No. (2) of 2015.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. The financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company incurred a loss of AED 424,519 for the year ended 31 March 2021 and at that date, the Company's losses aggregated to AED 756,517, its current liabilities exceeded its current assets by AED 914,042 and it had a net deficit of AED 531,517 in equity funds.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in the activities of providing dermatology and venerology clinics services, a short-term impact may be experienced in Company's business activities and cash flows but there is no change in Management's going concern assessment or business strategy.

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Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the financial statements (See Note 5).

However, the ultimate parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, the financial statements have been prepared on a going concern basis.

Since the losses of the Company exceeded 50% of the share capital, as required by Article 301 of the UAE Federal Law No. (2) of 2015, the shareholders of the Company called a General Meeting, in which the shareholders resolved to continue with the operations of the Company.

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current period

The following amendments, improvements and interpretations which became effective 1 April 2020, did not have any significant impact on the Company's financial statements:

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark - Phase 2 (1 January 2021)
- Amendments to IFRS 3 – Reference to Conceptual Framework (1 January 2022)
- Amendments to IAS 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)

e) **Functional and presentation currency**

The financial statements are presented in U.A.E. Dirhams ("AED") which is also the Company's functional currency.

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3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material are depreciated from the date the assets are available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Right-of-use asset	3 years
Plant and machinery	7 years
Furniture, fixtures and office equipment	3 - 7

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for 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 expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

b) **Intangible asset**

Capital work-in-progress is stated at cost less any impairment losses and is not amortised. This will be amortised from the date the relevant asset is ready for use.

c) **Impairment of tangible and intangible asset**

At each reporting date, the management 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. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

e) **Staff end-of-service benefits**

Provision is made for staff end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

f) **Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law. During the year, no transfer of statutory reserve has been made on account of loss incurred by the Company.

g) **Revenue recognition**

The Company is in the business of providing dermatology and venerology clinic services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the 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.

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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. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises 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 Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods
The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of significant financing components.

The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in IFRS 15 and not adjusted the consideration for significant financing component.

Sale of services
The company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

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Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, 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 entity has an enforceable right to payment or performance completed to date.

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

h) **Contract liabilities**

A contract liability is the obligation to provide services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company performs under the contract.

i) **Recharge of staff costs**

Recharge of staff costs represents salary costs of certain common staff whose services were availed by the Company as per the terms agreed with a related party.

j) **Leases**

As a lessee

The Company leases its clinic premises. Rental contract is typically made for a fixed period of 1 year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

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- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability 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.

Short-term leases
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

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k) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

l) **Foreign currency transactions**

Transactions in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

m) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

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. Where a provision is measured using the cash flow estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

n) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

o) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

p) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

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

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, 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 instrumental 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 cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- 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

(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement
A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

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.

The financial assets at amortised cost comprise of deposits and other receivables, due from a related party and cash and cash equivalents.

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

Financial liabilities at amortised cost comprise of trade and other payables, due to a related party and lease liability.

Impairment of financial assets
Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances and due from a related party 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.

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 supportive 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 a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset 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 realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised 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 assets have occurred.

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Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

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.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

q) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

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

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

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

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.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, and intangible asset to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

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Leases

Determining the lease term

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.

The Company has the option, to lease the asset for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew considering the historical lease durations and the costs and business disruption required to replace the leased asset. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), which is 6.25%, due to the absence of implicit rates in the lease contracts.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with IFRS 15- Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sale of goods should be recognised at a point in time when the services have been provided to the customer. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made 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 financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions
Management regularly undertakes a review of the Company's inventory, stated at AED 27,606 (previous year AED 34,743) in order to assess the likely realisation proceeds, taking into account, purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment
Assessments of net recoverable amounts of property, plant, equipment and intangible asset are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets
The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(p).

Staff end-of-service benefits
The Company computes the provision for the liability to staff end-of-service benefits stated at AED 11,167 (previous year AED 15,292), assuming that all employees were to leave as of the reporting date and is based on the local labour laws. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Impact of Covid-19
Since the outbreak is evolving rapidly, the Company continues to assess the impact of Covid-19 on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy including short-term impact on the operations of the Company. However, the management concluded that there is no significant impact of Covid-19 on its operations due to nature of the Company's business activities, except as follows:

Going concern assessment
The Company incurred a loss of AED 424,518 for the year ended 31 March 2021 and at that date, the Company's losses aggregated to AED 756,517, its current liabilities exceeded its current assets by AED 914,042 and it had a net deficit of AED 531,517 in equity funds. Notwithstanding these facts, the financial statements of the Company have been prepared on a going concern basis as the management of the Company believes that the future operations of the Company will generate sufficient profits and cashflows. Further, as required by Article 301 of the U.A.E. Federal Law no. (2) of 2015, the shareholders had resolved to continue its operations in the General Meeting held on 17 May 2021.

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6. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress	Right-of-use asset [a]	Plant and machinery	Furniture, fixtures and office equipment	Total
	AED	AED	AED	AED	AED
Cost					
At 1 April 2019	3,125	--	1,197,892	770,912	1,971,929
Additions	--	--	--	5,415	5,415
Transfer from capital advance (note 8)	--	--	--	5,985	5,985
Assets written off	--	--	(6,016)	(17,793)	(23,809)
Transfer	(3,125)	--	--	3,125	--
At 31 March 2020	--	--	1,191,876	767,644	1,959,520
Additions	--	592,604	--	16,748	609,352
Transfer from capital advance (note 8)	--	--	--	13,279	13,279
Assets written off	--	--	--	(6,074)	(6,074)
At 31 March 2021	**--**	**592,604**	**1,191,876**	**791,597**	**2,576,077**
Accumulated depreciation and impairment losses					
At 1 April 2019	--	--	804,482	468,058	1,272,540
Depreciation	--	--	237,973	167,543	405,516
Impairment losses[b]	--	--	--	147,760	147,760
Adjustment on assets written off	--	--	(1,843)	(15,717)	(17,560)
At 31 March 2020	--	--	1,040,612	767,644	1,808,256
Depreciation	--	48,707	140,048	2,504	191,259
Adjustment on assets written off	--	--	--	(5,366)	(5,366)
At 31 March 2021	**--**	**48,707**	**1,180,660**	**764,782**	**1,994,149**
Carrying amount					
At 1 April 2019	3,125	--	393,410	302,854	699,389
At 31 March 2020	--	--	151,264	--	151,264
At 31 March 2021	**--**	**543,897**	**11,216**	**26,815**	**581,928**

(a) Right-of-use assets represents right of use of clinic premises. The lease is for a period of 1 year.

(b) In view of the losses incurred during the previous year, the management had assessed the recoverable amount of its assets and determined that the recoverable amount of its furniture fixtures and office equipment was lower than its carrying value. Accordingly, an impairment loss of AED 147,760 was recognised during the previous year.

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7. INTANGIBLE ASSET

	Capital work-in-progress[i] AED
Cost	
At 1 April 2019	--
Additions	8,782
At 31 March 2020	8,782
Additions	3,323
At 31 March 2021	12,105
Carrying amount	
At 1 April 2019	--
At 31 March 2020	8,782
At 31 March 2021	**12,105**

(i) Capital Work in progress represent cost incurred towards installation of new software.

	2021 AED	2020 AED
8. CAPITAL ADVANCE [a]		
Opening balance	**13,279**	13,185
Advance given	--	13,279
Less: Transfer to property, plant and equipment (note 6)	**(13,279)**	(5,985)
Less: Amounts written off	--	(7,200)
	--	13,279

a) Capital advance represented advance towards refurbishment of clinic and purchase of plant and machinery.

	2021 AED	2020 AED
9. INVENTORIES		
Consumables and goods for sale	**27,606**	34,743
Less: Provision for slow-moving inventories	**(1,526)**	(1,265)
	26,080	33,478

A reconciliation of the movements in the provision for slow-moving inventories is as follows:

Opening balance	**1,265**	--
Provisions made during the year	**1,548**	1,265
Inventories written off	**(1,287)**	--
Closing balance	**1,526**	1,265

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		2021	2020
		AED	AED
10.	**DEPOSITS AND OTHER RECEIVABLES**		
	Deposits	**43,000**	43,000
	Staff advances	**303**	--
	Other receivables	**3,711**	--
		47,014	43,000
11.	**OTHER CURRENT ASSETS**		
	Other advances	**1,116**	51
	Prepaid expenses	**30,743**	225,588
	VAT receivable (net)	**1,791**	13,950
		33,650	239,589

12. **RELATED PARTIES**

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the parent company and fellow subsidiaries.

At the reporting date significant balances with related parties were as follows:

	Parent company AED	Fellow subsidiaries AED	Total 2021 AED	Total 2020 AED
Due from a related party	302,104	--	**302,104**	
	252,803	--		252,803
Due to a related party	--	827,623	**827,623**	
	--	427,630		427,630

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 27.

Significant transactions with related parties, representing fellow subsidiaries, during the year were as follows:

	Fellow subsidiaries AED	Total 2021 AED	Total 2020 AED
Purchases	75,572	**75,572**	
	105,169		105,169
Recharge of staff costs	133,816	**133,816**	
	427,630		427,630
Transfer of provision for staff end-of-service benefits to a related party	2,760	**2,760**	
	--		--
Capital work in progress	3,323	**3,323**	
	8,782		8,782

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The Company also provides funds to/receives funds from related parties as working capital facilities, free of interest.

		2021 AED	2020 AED
13.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	43	--
	Bank balances in current accounts	21,254	125,408
		21,297	125,408
14.	**SHARE CAPITAL**		
	Paid up:		
	100 shares of AED 1,500 each	150,000	150,000
15.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	15,292	20,806
	Provision for the year	1,767	9,503
	Transfer to a related party	(2,760)	--
	Paid during the year	(3,132)	(15,017)
	Closing balance	11,167	15,292
16.	**LEASE LIABILITY**		
	Lease liability for long term lease of clinic premise	388,545	--

A reconciliation of the movements in the lease liability is as follows:

Opening balance	--	--
Addition	592,604	--
Payments made during the year	(204,059)	--
Closing balance	388,545	--

Disclosed in the statement of financial position as follows:

Disclosed as:		
Non-current liabilities	200,341	--
Current liabilities	188,204	--
	388,545	--

A maturity analysis of lease liabilities are as follows:

3 months – 1 year	188,204	--
Presented as current liabilities	188,204	--
1 year – 5 years	200,341	--
Total	388,545	--

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Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the statement of financial position is as follows:

	2021 AED	2020 AED
Lease payments due	420,000	--
Less: Finance cost on leases	(31,455)	--
Disclosed in the statement of financial position	388,545	--

17. TRADE AND OTHER PAYABLES

Trade payables	22,658	22,968
Accruals	18,984	27,040
Other payables	20,565	255,292
	62,207	305,300

The entire trade and other payables are due for payment in one year.

18. OTHER CURRENT LIABILITY

Staff accruals	17,111	27,549

19. CONTRACT LIABILITIES

Contract liabilities relating advance received to fulfil a contract	249,042	198,830
Disclosed as:		
Current contract liabilities	249,042	198,830

20. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position together with due from/due to a related party. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 301 of the UAE Federal Law No. (2) of 2015. As referred in note 2 (c) to the financial statements, since the losses of the Company exceeded 50% of its share capital, the shareholders referred the matter in the General meeting in which the shareholders have resolved to continue with the operations of the Company.

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Funds generated from internal accruals (if any), together with funds received from /provided to a related party are retained in the business, according to the business requirements and maintain capital at desired levels.

21. REVENUE

The Company generates revenue from sale of goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, customer type, and contract type is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2021 AED	2020 AED
Primary Geographical segments		
- U.A.E.	655,470	950,686
Major goods/service lines		
- Products	69,624	63,159
- Services	585,846	887,527
	655,470	950,686
Timing of revenue recognition		
- At a point in time	69,624	63,159
- Over period of time	585,846	887,527
	655,470	950,686

22. OTHER INCOME

	2021 AED	2020 AED
Credit balances written back	15,996	32,963
Other miscellaneous income	22	341
	16,018	33,304

23. STAFF COSTS

	2021 AED	2020 AED
Staff salaries and benefits	201,445	489,172
Staff end-of-service benefits	1,767	9,503
Recharge of staff costs	133,816	427,630
	337,028	926,305

24. DEPRECIATION AND AMORTISATION

	2021 AED	2020 AED
Depreciation of property, plant and equipment[(a)]	191,259	405,516

(a) Includes depreciation on Right-of-Use asset of AED 48,707 (previous year AED Nil).

25. OTHER OPERATING EXPENSES

	2021 AED	2020 AED
Operating lease expenses	165,000	220,000
Provision for slow moving inventories	1,548	1,265
Assets written off	708	6,249
Capital advance written off	--	7,200
Debit balances written off	--	26,511
Repairs and maintenance	94,031	134,562
Legal and professional fees	41,478	239,324
Rates and taxes	63,301	40,858
Other expenses	96,443	110,309
	462,509	786,278

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		2021 AED	2020 AED
26.	**FINANCE COST**		
	On lease liability	**5,941**	--

27. **FINANCIAL INSTRUMENTS**

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2021 AED	2020 AED
Financial assets		
Deposits and other receivables	**47,014**	43,000
Due from a related party	**302,104**	252,803
Cash and cash equivalents	**21,297**	125,408
	370,415	421,211
Financial liabilities		
Trade and other payables	**62,207**	305,300
Due to a related party	**827,623**	427,630
Lease liability (current and non-current)	**388,545**	--
	1,278,375	732,930

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with related parties, in order to manage exposure to liquidity risk.

The Company buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the U.A.E. Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, other receivables and due from a related party.

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The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from other receivables and due from related parties taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date 100% of due from a related party is due from a related party in the U.A.E. (previous year 100% due from a related party in the U.A.E.).

Currency risk
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk
Lease liabilities are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk.

Fair values
The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, deposits and other receivables, due from a related party, trade and other payables, short-term lease liability and due to a related party approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial liabilities:

- Fair value of non-current lease liability is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liability, is not materially different from its fair values.

		2021 AED	2020 AED
28.	**OTHER CONTRACTED COMMITMENTS**		
	For purchase of property, plant and equipment	--	29,450

For **IRIS MEDICAL CENTER LLC**

MANAGER

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