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

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2023

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

FINANCIAL STATEMENTS - 31 MARCH 2023

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 2023.

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 2023 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 1967, 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

22 MAY 2023

ROBERT YAM & CO PAC
Public Accountants, Singapore
Chartered Accountants of Singapore
Consultants & Business Advisers

RY
UEN: 201833873N
Incorporated with limited liability

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 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 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.

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GGi Geneva Group International
A worldwide alliance of independent professional firms
Independent Member

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.

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

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

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

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

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

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
Public Accountants and
Chartered Accountants
Singapore

22 May 2023

RY/REEN/rbm

KME HOLDINGS PTE. LTD.

Statement of Financial Position
As at 31 March 2023

	Note	2023 S$	2022 S$
ASSETS			
Non-current assets			
Investment in a subsidiary	5	16,906,944	25,593,139
Loan to subsidiary	6	-	31,085
		16,906,944	25,624,224
Current assets			
Cash and cash equivalents	7	20,020	2,447
Total assets		16,926,964	25,626,671
EQUITY AND LIABILITIES			
Equity			
Share capital	8	26,800,408	26,800,408
Accumulated losses		(9,882,258)	(1,216,606)
Total equity		16,918,150	25,583,802
Non-current liabilities			
Loan from holding company	10	-	30,216
Current liabilities			
Other payables	9	8,814	12,653
Net current asset/(liabilities)		11,206	(10,206)
Total liabilities		8,814	42,869
Net assets		16,918,150	25,583,802
Total equity and liabilities		16,926,964	25,626,671

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

KME HOLDINGS PTE. LTD.

Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 March 2023

	Note	2022 S$	2021 S$
Other income	11	38,915	72,899
Other operating expenses	12	(8,704,567)	(79,703)
Loss before income tax		(8,665,652)	(6,804)
Income tax expense	13	-	-
Net loss, representing total comprehensive income for the year		(8,665,652)	(6,804)

Statement of Changes in Equity
For the Financial Year Ended 31 March 2023

	Share capital S$	Accumulated losses S$	Total equity S$
Balance at 1 April 2021	22,190,685	(1,209,802)	20,980,883
Net loss, representing total comprehensive income for the year	-	(6,804)	(6,804)
Issue of ordinary share	4,609,723	-	4,609,723
Balance at 31 March 2022	26,800,408	(1,216,606)	25,583,802
Net loss, representing total comprehensive income for the year	-	(8,665,652)	(8,665,652)
Balance at 31 March 2023	26,800,408	(9,882,258)	16,918,150

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 2023

	Note	2023 S$	2022 S$
Cash flows from operating activities:			
Loss before income tax		(8,665,652)	(6,804)
Impairment of provision for the year		8,686,195	-
Changes in working capital:			
Other payables		(3,839)	5,309
Net cash from/(used in) operating activities		16,704	(1,495)
Cash flows from investing activity:			
Addition to investment in a subsidiary		-	(4,617,711)
Net cash used in investing activity		-	(4,617,711)
Cash flows from financing activities:			
Proceeds from loan from a subsidiary		-	657,577
Proceeds from loan from holding company		-	4,609,723
Repayment of loan to holding company		(30,216)	(674,375)
Repayment of loan to a subsidiary		31,085	-
Net cash from financing activities		869	4,592,925
Net increase/(decrease) in cash and cash equivalents		17,573	(26,281)
Cash and cash equivalents at beginning of year		2,447	28,728
Cash and cash equivalents at end of year	7	20,020	2,447

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 2023 were authorised for issue in accordance with a resolution of the directors on 22 May 2023.

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 1967.

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. Basis of preparation (cont'd)

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

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are relevant to the Company and are effective for annual periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the financial statements, unless otherwise indicated.

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. Significant accounting policies (cont'd)

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.

3.3 Financial instruments

<u>Recognition and derecognition of financial instruments</u>

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.

3. Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Recognition and derecognition of financial instruments (cont'd)

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.

3. Significant accounting policies (cont'd)

3.6 Income taxes (cont'd)

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.

3.7 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.

4. Significant accounting judgments and estimates (cont'd)

4.1 Key sources of estimation uncertainty (cont'd)

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

	2023 S$	2022 S$
Shares, at cost:		
Beginning of financial year	25,593,139	20,975,428
Additions	-	4,617,711
Impairment	(8,686,195)	-
End of financial year	**16,906,944**	**25,593,139**

Details of the subsidiary are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Cost of investment 2023 S$	Cost of investment 2022 S$	Percentage of equity held 2023 %	Percentage of equity held 2022 %
Held by the Company						
Kaya Middle East FZE	U. A. E.	Skin care and cosmetic products	16,906,944	25,593,139	100	100

6. Loan to a subsidiary

	2023 S$	2022 S$
Loan to a subsidiary	-	31,085

7. Cash and cash equivalents

	2023 S$	2022 S$
Cash at bank	20,020	2,447

8. Share capital

	2023		2022	
	No. of ordinary shares	S$	No. of ordinary shares	S$
Issued and fully paid				
Beginning of financial year	26,800,408	26,800,408	22,190,685	22,190,685
Shares issued	-	-	4,609,723	4,609,723
End of financial year	26,800,408	26,800,408	26,800,408	26,800,408

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 previous financial year, the Company convert loan from holding company into ordinary shares for a total of 4,609,723 The newly issued shares rank pari passu in all respects with the previously issued shares.

9. Other payables

	2023 S$	2022 S$
Accruals	8,814	12,653
	========	========

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

10. Loan from holding company

	2023 S$	2022 S$
Loan from holding company	-	30,216
	========	========

11. Other income

	2023 S$	2022 S$
Interest income	-	61,594
Foreign exchange gain	38,915	11,305
	========	========

12. Other operating expenses

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

	2023 S$	2022 S$
Audit fee	7,119	5,835
Professional fee	9,887	9,215
Interest on borrowing	-	62,680
Impairment of provision for the year	8,686,195	-
Bank charges	455	1,454
	========	========

13. Income tax expense

	2023 S$	2022 S$
Reconciliation of effective tax rate:		
Loss before tax	(8,665,652)	(6,804)
Tax calculated at statutory tax rate of 17% (2022: 17%)	(1,473,161)	(1,157)
Expenses not deductible for tax purposes	1,473,161	1,157
Income tax expense	-	-

14. 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:

	2023 S$	2022 S$
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	20,020	2,447
Financial liabilities		
Financial liabilities measured at amortised cost:		
Other payables	8,814	12,653
Loan from holding company	-	30,216
	8,814	42,869

Further quantitative disclosures are included throughout these financial statements.

15. 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.

15. 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.

	2023 Profit after tax S$	2022 Profit after tax S$
USD/SGD – strengthened 7% (2022: 7%)	-	-
USD/SGD – weakened 7% (2022: 7%)	-	-

15. Financial risk management (cont'd)

(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.

	1 year or less S$	Over 1 year S$	Total S$
2023			
Other payables	8,814	-	8,814
Loan from holding company	-	-	-
	8,814	-	8,814
2022			
Other payables	12,653	-	12,653
Loan from holding company	30,216	-	30,216
	42,869	-	42,869

16. 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.

17. 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 2023 and 2022. The Company's overall strategy remained unchanged from 2022.

18. 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)

19. 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 2023

	2023 S$	2022 S$
OTHER INCOME		
Foreign exchange gain	38,915	11,305
Interest income	-	61,594
	38,915	72,899
Less: OPERATING EXPENSES		
Audit fee	7,119	5,835
Bank charges	455	1,454
Foreign exchange loss	911	-
Penalty	-	519
Professional fees	9,887	9,215
Interest payable	-	62,680
Impairment of provision for the year	8,686,195	-
	8,704,567	79,703
Loss for the year before tax	(8,665,652)	(6,804)
	========	========

KAYA MIDDLE EAST FZE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2023

KAYA MIDDLE EAST FZE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2023

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PKF - Sharjah Branch
بيه كي إف - فـرع الشارقة

Accountants &
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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 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Establishment as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 United Arab Emirates ("UAE"), 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 Establishment reported a revenue of AED 84 million from skin care treatments, 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:
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;

continued...

Key audit matters	How our audit addressed the key audit matters
	• 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.

Impairment of property plant and equipment	
As at 31 March 2023, the carrying value of property plant and equipment amounted to AED 19.51 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.	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:
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 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.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matters
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 financial statements 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). 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.	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 • assessed the disclosure in the financial statements as per the requirements of IFRSs.

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 presented 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 the Establishment incurred loss during the year ended 31 March 2023 and at that date, the Establishment has accumulated losses, net current liabilities and net deficit in equity funds.

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

Our opinion is not modified in respect of these matters.

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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.

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.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

- 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 24 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, except for the matter stated above, the financial statements comply with the applicable provisions of Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995.

For **PKF**

Lalwani

Saranga Lalwani
Partner
Registration no. 5468
Sharjah
United Arab Emirates
19 May 2023

KAYA MIDDLE EAST FZE

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	19,506,150	26,664,543
Intangible assets	7	587,270	386,354
Investments in subsidiaries	8	549,000	--
Capital advance	9	9,848	458,833
		20,652,268	27,509,730
Current assets			
Inventories	10	3,344,428	2,731,998
Deposits and other receivables	11	2,833,273	3,088,228
Other current assets	12	5,814,746	4,010,921
Due from related parties	13	15,396,355	11,351,355
Cash and cash equivalents	14	3,102,733	8,108,799
Other financial assets	15	12,905,499	50,000
		43,397,034	29,341,301
Total assets		64,049,302	56,851,031
EQUITY AND LIABILITIES			
Equity funds			
Share capital	16	71,980,000	71,980,000
Capital reserve		4,577,103	4,577,103
Accumulated losses		(93,793,031)	(76,071,918)
(Deficit)/surplus equity funds		(17,235,928)	485,185
Non-current liabilities			
Long-term borrowings	17	22,517,812	--
Provision for staff end-of-service benefits	18	5,267,467	5,143,158
Lease liabilities	20	5,526,383	10,854,918
		33,311,662	15,998,076
Current liabilities			
Trade and other payables	21	17,172,216	11,472,345
Other current liabilities	22	5,073,863	5,093,129
Contract liabilities	23	17,136,083	14,459,551
Due to related parties	13	1,647,375	1,269,084
Lease liabilities	20	6,944,031	8,073,661
		47,973,568	40,367,770
Total liabilities		81,285,230	56,365,846
Total liabilities less deficit in equity funds		64,049,302	56,851,031

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 5.

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 19 May 2023 and signed on its behalf by Mr. Rajiv Suri and Mr. Piyush Loya.

For KAYA MIDDLE EAST FZE

RAJIV SURI
DIRECTOR

PIYUSH LOYA
DIRECTOR

KAYA MIDDLE EAST FZE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 AED	2022 AED
Revenue	25	**84,038,155**	81,821,400
Cost of sales		**(15,522,564)**	(13,778,959)
Gross profit		**68,515,591**	68,042,441
Other income	26	**3,050**	1,048,994
Administrative and selling expenses	27	**(84,225,510)**	(79,819,540)
Impairment of property, plant and equipment	6	--	(4,885,550)
Impairment of goodwill	7	--	(1,496,312)
Interest income	29	**138,500**	197,659
Finance costs	30	**(1,564,982)**	(1,614,011)
LOSS FOR THE YEAR		**(17,133,351)**	(18,526,319)
Other comprehensive income: *Items that will not be reclassified subsequently to profit or loss:*			
Actuarial loss on defined employee benefit plan		**(587,762)**	(310,666)
Other comprehensive income for the year		**(587,762)**	(310,666)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(17,721,113)**	(18,836,985)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 5.

KAYA MIDDLE EAST FZE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Capital reserve AED	Accumulated losses AED	Total AED
Balance at 1 April 2021	59,628,000	4,577,103	(57,234,933)	6,970,170
Comprehensive income:				
– Loss for the year	--	--	(18,526,319)	(18,526,319)
– Other comprehensive income	--	--	(310,666)	(310,666)
Total comprehensive income for the year	--	--	(18,836,985)	(18,836,985)
Issue of share capital	12,352,000	--	--	12,352,000
Balance at 31 March 2022	71,980,000	4,577,103	(76,071,918)	485,185
Issue of share capital	--	--	--	--
Comprehensive income:				
– Loss for the year	--	--	(17,133,351)	(17,133,351)
– Other comprehensive income	--	--	(587,762)	(587,762)
Total comprehensive income for the year	--	--	(17,721,113)	(17,721,113)
Balance at 31 March 2023	**71,980,000**	**4,577,103**	**(93,793,031)**	**(17,235,928)**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 5.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 AED	2022 AED
Cash flows from operating activities		
Loss for the year	(17,133,351)	(18,526,319)
Adjustments for:		
Depreciation of property, plant and equipment	12,911,222	14,241,494
Interest income	(138,500)	(197,659)
Finance costs	1,564,982	1,614,011
Covid-19-related rent concessions	--	(754,626)
Capital advances expensed off	4,069	--
Profit on sale of property, plant and equipment	--	(173)
Credit balances written back	--	(294,195)
Debit balances written off	107,644	295,584
Impairment of property, plant & equipment	--	4,885,550
Impairment of goodwill	--	1,496,312
Provision for slow-moving inventories	17,768	139,301
Provision for staff end-of-service benefits	887,842	1,066,801
	(1,778,324)	3,966,081
Changes in:		
- Inventories	(630,198)	(731,826)
- Deposits and other receivables	254,955	(444,259)
- Other current assets	(1,803,825)	(110,327)
- Trade and other payables	5,722,756	(424,636)
- Other current liabilities	(19,266)	(348,783)
- Contract liabilities	2,676,532	(805,956)
Staff end-of-service benefits paid	(1,351,295)	(1,899,242)
Cash generated from/(used in) operating activities	3,071,335	(798,948)
Interest paid	(627,738)	(414,838)
Net cash from/(used in) operating activities	2,443,597	(1,213,786)
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(3,904,971)	(1,594,483)
Payments for capital work-in-progress	(200,916)	(144,244)
Proceeds from disposal of property, plant and equipment	--	173
Payments for capital advances	(22,176)	(442,524)
Increase in other financial assets	(12,855,499)	--
(Payments to)/receipts from related parties (net)	(4,152,644)	5,905,136
Interest received	138,500	197,659
Net cash (used in)/from investing activities	(20,997,706)	3,921,717
Cash flows from financing activities		
Issue of share capital	--	12,352,000
Repayments of long-term loan from a related party	--	(1,702,826)
Payments to a related party (net)	(170,709)	(217,505)
Proceeds from long-term borrowings (net)	22,517,812	--
Payment of lease liabilities	(8,799,060)	(7,961,849)
Net cash from financing activities	13,548,043	2,469,820
Net (decrease)/increase in cash and cash equivalents	(5,006,066)	5,177,751
Cash and cash equivalents at the beginning of the year	8,108,799	2,931,048
Cash and cash equivalents at the end of the year (note 14)	3,102,733	8,108,799

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

The report of the independent auditor is set forth on pages 1 to 5.

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, medical complex, import, export and trading in skin care machinery, consumables and products and providing related advisory services.

c) The Establishment is a 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 2022, 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.

These financial statements are the separate financial statements of the Establishment. The consolidated financial statements of the Establishment 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 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.

The Establishment incurred a loss of AED 17,133,351 for the year ended 31 March 2023 and at that date, the Establishment's losses aggregated to AED 93,793,031, its current liabilities exceeded its current assets by AED 4,576,534 and it had a net deficit of AED 17,235,928 in equity funds. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Establishment's ability to continue as a going concern.

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

Furthermore, 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 for current period, did not have any significant impact on the Establishment's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Financial Reporting Standards
  - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-Current (1 January 2023);
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

e) **Functional and presentation currency**

Although the functional currencies of the Establishment are the local currency of the country of domicile in which they operate, the financial statements are presented in U.A.E. Dirham (AED) which is considered as the Establishment's reporting 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	2-5 years
Plant and machinery	7 years
Furniture, fixtures and office equipment	3 - 7 years
Vehicles	5 years

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

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 Establishments 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 excluding goodwill 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.

d) **Investments in subsidiaries**

Subsidiaries are entities over which the Establishment exercises control. Control is achieved when the Establishment 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 investments in subsidiaries are accounted for at cost less impairment losses, if any. Consolidated financial statements of the parent and its subsidiaries are presented by the parent company.

e) **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.

f) **Staff benefits**

The Establishment provides gratuity and leave encashment benefits to its employees. Gratuity and leave encashment liabilities are not funded. The present value of these defined benefit obligations is ascertained by an independent actuarial valuation as per the requirement of IAS 19 'Employee Benefits'. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date, together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the other comprehensive income in full in the year in which they occur, if significant.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Establishment. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

g) **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").

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

The Establishment 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 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 Establishment has an enforceable right to payment for performance completed to date.

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.

Significant financing component
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.

i) **Contract costs**
Contract costs comprise direct contract costs and other costs relating to the contracting activity in general and which can be allocated to contracts. In addition, contract costs include other costs which are specifically chargeable to the customer under the terms of the contracts.

Costs that cannot be related to contract activity or cannot be allocated to a contract are excluded from the cost of the construction contracts and are included in other operating expenses/ administrative expenses.

j) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Establishment has received consideration from the customer. If a customer pays consideration before the Establishment transfer 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 Establishment performs under the contract.

k) **Leases**

As a lessee

The Establishment 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 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;
- 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.

l) **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.

m) **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.

n) **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.

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.

o) **Contingencies and commitments**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

p) **Royalty expenses**

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

q) **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 charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Establishment can not avail the credit is changed to the relevant expenditure category or included in costs of non-current assets. The Establishment files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the statement of financial position as the Establishment has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

r) **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.

s) **Financial instruments**

Classification

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

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit and loss 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.

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 fair value through profit and loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit and loss are expensed in profit or loss.

On initial recognition of an equity investment that is not held-for-trading, the Establishment may irrevocably elect to recognise subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

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 financial assets 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, due to related parties and lease liabilities.

Impairment of financial assets

The Establishment recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Establishment expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

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

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

- Bank balances, due from related parties, deposits and other receivables 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 expected credit losses, 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 expected credit losses 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.

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.

t) **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.

The fair value measurement of non-financial assets 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 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 model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, 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.

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.

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 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 recognised 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 Establishment's inventory, stated at AED 3,701,485 (previous year AED 3,071,287) 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 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(s).

Staff end-of-service benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at AED 5,267,467 (previous year AED 5,143,158), covering all eligible employees. The amount of provision in the current year is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include determination of discount rate; future salary increases, mortality and withdrawal rate. Due to the complexity of valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

6. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets[a]	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED	AED
Cost					
At 1 April 2021	42,165,833	35,861,179	33,486,913	109,477	111,623,402
Additions	1,387,892	2,150,396	771,660	--	4,309,948
Modifications to leases[b]	4,802,214	--	--	--	4,802,214
Disposals	--	--	(3,450)	--	(3,450)
At 31 March 2022	48,355,939	38,011,575	34,255,123	109,477	120,732,114
Additions	--	3,661,398	220,688	--	3,882,086
Transfer from capital advance (note 9)	--	418,797	48,295	--	467,092
Modifications to leases[b]	1,403,651	--	--	--	1,403,651
At 31 March 2023	**49,759,590**	**42,091,770**	**34,524,106**	**109,477**	**126,484,943**
Accumulated depreciation and impairment losses					
At 1 April 2021	22,604,403	28,796,956	23,433,141	109,477	74,943,977
Depreciation	7,583,116	3,443,548	3,214,830	--	14,241,494
Adjustment on disposals	--	--	(3,450)	--	(3,450)
Impairment losses[c]	--	1,849,195	3,036,355	--	4,885,550
At 31 March 2022	30,187,519	34,089,699	29,680,876	109,477	94,067,571
Depreciation	7,483,806	2,728,714	2,698,702	--	12,911,222
At 31 March 2023	**37,671,325**	**36,818,413**	**32,379,578**	**109,477**	**106,978,793**
Carrying amount					
At 1 April 2021	19,561,430	7,064,223	10,053,772	--	36,679,425
At 31 March 2022	18,168,420	3,921,876	4,574,247	--	26,664,543
At 31 March 2023	**12,088,265**	**5,273,357**	**2,144,528**	--	**19,506,150**

(a) Right-of-use assets represents right of use of clinic premises [refer note 3(k)]. The leases are for a period of 1 to 5 years.

(b) The Establishment had extended some its leases during the years ended 31 March 2023 and 31 March 2022. The carrying amount of its right of use assets and lease liabilities were remeasured and accounted as modification of leases upon extension of leases.

(c) 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 plant and machinery and furniture fixtures and office equipment were lower than its carrying value. Accordingly, impairment losses of AED 4,885,550 were recognised during the previous year.

7. INTANGIBLE ASSETS

	Capital work-in-progress[a] AED	Computer software AED	Goodwill[b] AED	Total AED
Cost				
At 1 April 2021	242,110	948,391	1,496,312	2,686,813
Additions	144,244	--	--	144,244
At 31 March 2022	386,354	948,391	1,496,312	2,831,057
Additions	200,916	--	--	200,916
At 31 March 2023	**587,270**	**948,391**	**1,496,312**	**3,031,973**
Accumulated amortisation and impairment losses				
At 1 April 2021	--	948,391	--	948,391
Impairment loss[c]	--	--	1,496,312	1,496,312
At 31 March 2022 and 31 March 2023	--	948,391	1,496,312	2,444,703
Carrying amount				
At 1 April 2021	242,110	--	1,496,312	1,738,422
At 31 March 2022	386,354	--	--	386,354
At 31 March 2023	**587,270**	--	--	**587,270**

(a) Capital work-in-progress represents costs incurred towards installation of new software.

(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.

(c) The management had assessed the recoverable amount of goodwill and determined that the recoverable amount of its goodwill was lower than its carrying value. Accordingly, an impairment loss of AED 1,496,312 was recognised during the previous year.

8. INVESTMENTS IN SUBSIDIARIES

	2023 AED	2022 AED
Interest in share capital at cost in:		
Kaya Skin Care Clinic – Sole Proprietorship L.L.C	100,000	--
Kaya Skin Care Clinic – Single Owner LLC	100,000	--
Kaya Beauty Clinic – Sole Proprietorship L.L.C	150,000	--
Kaya Trading L.L.C	100,000	--
Kaya Skin Medical Center L.L.C	99,000	--
	549,000	--

(a) The nature of investments in subsidiaries held by the Establishment are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Registered ownership 2023 (%)	Registered ownership 2022 (%)	Beneficial ownership 2023 (%)	Beneficial ownership 2022 (%)
Kaya Skin Care Clinic – Sole Proprietorship L.L.C	Medical complex and retain sale of cosmetics	UAE	100	--	100	--
Kaya Skin Care Clinic	Dermatology clinic	UAE	100	--	100	--
Kaya Beauty Clinic – Sole Proprietorship L.L.C	Treatment of dermatology	UAE	100	--	100	--
Kaya Trading L.L.C	Trading of perfumes and cosmetics, beauty and personal care requisites	UAE	100	--	100	--
Kaya Skin Medical Center L.L.C	Dermatology and venerology clinic, laser complexion care and medical complex	UAE	99	--	99	--

(b) The consolidated financial statements of the Establishment and its subsidiaries are presented separately.

	2023 AED	2022 AED
9. CAPITAL ADVANCE [(a)]		
Opening	458,833	16,309
Additions	22,176	442,524
Less: Capital advance expensed off (note 27)	(4,069)	--
Less: Transfer to property, plant and equipment (note 6)	(467,092)	--
	9,848	458,833

a) Capital advance represents advance towards purchase of new machineries (note 32).

	2023	2022
10. INVENTORIES		
Skin and hair care products and consumables	3,701,485	3,071,287
Less: provision for slow-moving inventories	(357,057)	(339,289)
	3,344,428	2,731,998

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

	2023	2022
Opening balance	339,289	199,988
Provision made during the year	17,768	139,301
Closing balance	357,057	339,289

		2023 AED	2022 AED
11.	**DEPOSITS AND OTHER RECEIVABLES**		
	Deposits	2,103,485	2,027,184
	Staff advances	158,197	409,045
	Other receivables	571,591	651,999
		2,833,273	3,088,228
12.	**OTHER CURRENT ASSETS**		
	Prepayments	2,480,236	1,129,081
	Advance for goods and services	3,334,510	2,881,840
		5,814,746	4,010,921

13. 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 ultimate parent company, parent company, companies under common ownership and/or common management control, directors and key management personnel.

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

	Ultimate parent company AED	Parent company AED	Companies under common ownership and/or common management control AED	Total 2023 AED	Total 2022 AED
Included in deposits and other receivables	--	--	--	--	
	--	--	215,401		215,401
Due from related parties[a]	--	--	15,396,355	15,396,355	
	--	--	11,351,355		11,351,355
Due to related parties	1,647,375	--	--	1,647,375	
	1,184,752	84,332	--		1,269,084

		2023	2022
(a)	**AMOUNTS DUE FROM RELATED PARTIES**		
	Amounts due from related parties	15,437,534	11,392,534
	Less: Allowance for expected credit losses on due from related parties	(41,179)	(41,179)
		15,396,355	11,351,355

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

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

	Ultimate parent company	Parent company	Companies under common ownership and/or common management control	Key management personnel	Total 2023	Total 2022
	AED	AED	AED	AED	AED	AED
Revenue	--	--	150,179	--	**150,179**	
	--	--	85,958	--		85,958
Purchases	280,616	--	--	--	**280,616**	
	171,275	--	--	--		171,275
Recharge of expenses (included in other expenses)	663,150	--	--	--	**663,150**	
	1,123,044	--	--	--		1,123,044
Royalty expenses	2,110,377	--	--	--	**2,110,377**	
	2,035,007	--	--	--		2,035,007
Recharge of finance cost by a related party	--	--	133,617	--	**133,617**	
	--	--	189,832	--		189,832
Finance costs	--	--	--	--	**--**	
	--	167,451	--	--		167,451
Debit balances written off	--	107,644	--	--	**107,644**	
	--	169,625	--	--		169,625
Staff salaries	--	--	--	1,332,268	**1,332,268**	
	--	--	--	1,517,736		1,517,736
Recharge of staff salaries to a related party	--	--	243,200	--	**243,200**	
	--	--	367,728	--		367,728
End of service benefits	--	--	--	61,775	**61,775**	
	--	--	--	35,556		35,556
Employee ESOP plan	206,882	--	--	--	**206,882**	
	156,321	--	--	--		156,321
Additions to capital work in progress (note 7)	166,276	--	--	--	**166,276**	
	165,880	--	--	--		165,880
Recharge of capital work in progress to related parties	--	--	21,690	--	**21,690**	
	--	--	21,636	--		21,636

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

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.

		2023	2022
		AED	AED
14.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**225,988**	173,641
	Bank balances:		
	Current accounts	**2,142,512**	7,935,158
	Fixed deposits	**734,233**	--
		3,102,733	8,108,799

		2023 AED	2022 AED
15.	**OTHER FINANCIAL ASSETS**		
	Fixed deposits	12,855,499	--
	Restricted cash margin[(a)]	50,000	50,000
		12,905,499	50,000

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

		2023 AED	2022 AED
16.	**SHARE CAPITAL**		
	Issued and paid up		
	71,980 shares of AED 1,000 each	71,980,000	71,980,000

The shareholder at 31 March 2023 and 31 March 2022 and their interest in share capital of the Establishment was as follows:

Name of the shareholder	As of 31.03.2023		As of 31.03.2022	
	No. of shares	AED	No. of shares	AED
KME Holding Pte Ltd.	71,980	71,980,000	71,980	71,980,000

		2023 AED	2022 AED
17.	**LONG-TERM BORROWINGS**		
	Long-term loan from Kotak Mahindra Bank Limited	22,517,812	--

Bank loans are repayable in two tranches and the first payment of AED 16,060,375 is due on 29 August 2024 and second instalment of AED 6,886,875 is due on 29 May 2025 and carries interest rate of 3 months secured overnight funding rate ("SOFR") with an additional premium of 6%

A maturity analysis of bank borrowings is as follows:

	2023 AED	2022 AED
1 – 3 years	22,517,812	--

		2023 AED	2022 AED
18.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Provision for staff end-of-service benefits	5,267,467	5,143,158

Details of the provision for staff end-of-service benefits plan are as follows:

	2023 AED	2022 AED
a. Opening obligation	5,143,158	5,664,933
b. Current service cost	728,404	765,553
c. Interest cost	159,438	175,857
d. Past service cost	--	125,391
d. Actuarial loss	587,762	310,666
e. Benefits paid	(1,351,295)	(1,899,242)
f. Closing obligation	5,267,467	5,143,158

	2023 AED	2022 AED
Expense recognised during the year		
Recognised in statement of profit or loss		
Current service cost	728,404	765,553
Interest cost	159,438	175,857
Past service cost	--	125,391
	887,842	1,066,801
Recognised in other comprehensive income		
Actuarial loss	587,762	310,666
Key Assumptions used		
a. Discount rate	4.40%	3.10%
b. Rate of escalation in salary (per annum)	3.80%	3.00%
c. Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

19. LONG-TERM LOAN FROM A RELATED PARTY

	2023 AED	2022 AED
At 1 April	--	1,702,826
Loan repaid during the year	--	(1,702,826)
At 31 March	--	--

Long-term loan from a related party represented unsecured, United States Dollar ('USD') denominated, carried interest at fixed rate and repaid during the previous year.

20. LEASE LIABILITIES

	2023 AED	2022 AED
Lease liabilities for long term lease of clinic premises	12,470,414	18,928,579

Disclosed in the statement of financial position as follows:

	2023 AED	2022 AED
Non-current liabilities	5,526,383	10,854,918
Current liabilities	6,944,031	8,073,661
	12,470,414	18,928,579

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

	2023 AED	2022 AED
At 1 January	18,928,579	20,255,775
Finance costs	937,244	1,199,173
Additions	--	1,387,892
Modifications to leases[(a)]	1,403,651	4,802,214
Covid-19-related rent concessions [refer note 26]	--	(754,626)
Payments made during the year	(8,799,060)	(7,961,849)
At 31 March	12,470,414	18,928,579

(a) The Establishment has extended some its leases during the years ended 31 March 2023 and 31 March 2022. The carrying amount of its right of use assets and lease liabilities were remeasured and accounted as modification of leases upon extension of leases.

A maturity analysis of undiscounted lease liabilities are as follows:

	2023 AED	2022 AED
0 – 1 month	503,388	523,332
1 – 3 months	2,406,388	2,643,103
3 months – 1 year	4,583,313	5,853,241
Presented as current liabilities	7,493,089	9,019,676
1 – 4 years	5,730,801	11,728,306
Total	13,223,890	20,747,982

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

Lease payments due	13,223,890	20,747,982
Less: Finance costs on leases	(753,476)	(1,819,403)
Disclosed in the statement of financial position	12,470,414	18,928,579

21. TRADE AND OTHER PAYABLES

Trade payables	4,547,855	2,921,120
Creditors for capital expenditure	1,605,457	1,628,342
Accruals	7,921,366	5,045,691
Other payables	3,097,538	1,877,192
	17,172,216	11,472,345

The entire trade and other payables are due for payment within one year from the reporting date.

22. OTHER CURRENT LIABILTIES

Staff accruals	2,558,665	2,645,675
VAT payable (net)	637,374	361,007
Other liabilities	1,877,824	2,086,447
	5,073,863	5,093,129

23. CONTRACT LIABILITIES

Contract liabilities	17,136,083	14,459,551
Disclosed as:		
Current contract liabilities	17,136,083	14,459,551

24. 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. Debt comprises total amounts owed by the Establishment, 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.

25. 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.

	2023 AED	2022 AED
Primary Geographical segments		
- U.A.E.	61,737,623	60,659,327
- Other middle east countries	22,300,532	21,162,073
	84,038,155	81,821,400
Major goods/service lines		
- Products	6,190,359	5,628,911
- Services	77,847,796	76,192,489
	84,038,155	81,821,400
Timing of revenue recognition		
- At a point in time	6,190,359	5,628,911
- Over time	77,847,796	76,192,489
	84,038,155	81,821,400

26. OTHER INCOME

Profit on sale of property, plant and equipment	--	173
Covid-19-related rent concessions [refer note 20]	--	754,626
Credit balances written back	--	294,195
Miscellaneous income	3,050	--
	3,050	1,048,994

		2023 AED	2022 AED
27.	**ADMINISTRATIVE AND SELLING EXPENSES**		
	Staff costs (Note 28)	46,337,393	42,243,719
	Depreciation of property, plant and equipment[(a)]	12,911,222	14,241,494
	Provision for slow-moving inventories	17,768	139,301
	Short-term lease expenses	914,790	914,679
	Electricity and water expenses	859,084	662,915
	Repairs and maintenance	3,273,884	3,151,713
	Advertisement	3,231,164	3,061,333
	License fees	1,023,914	1,000,574
	Communication expenses	1,295,887	1,256,740
	Travelling expenses	2,943,390	1,965,637
	Bank charges	1,898,539	1,723,248
	Legal and professional charges	6,308,728	5,669,434
	Royalty expenses	2,110,377	2,035,007
	Capital advance expensed off (note 9)	4,069	--
	Debit balances written off	107,644	295,584
	Other expenses	987,657	1,458,162
		84,225,510	79,819,540

(a) Includes depreciation on right-of-use assets of AED 7,483,806 (previous year AED 7,583,116).

28.	**STAFF COSTS[(a)]**		
	Staff salaries and benefits	45,449,551	41,176,918
	Staff end-of-service benefits	887,842	1,066,801
		46,337,393	42,243,719

(a) Include staff salaries and benefits of AED 1,332,268 (previous year AED 1,517,736), staff end-of-service benefits of AED 61,775 (previous year AED 35,556) and employee stock option plan expenses of AED 206,882 (previous year AED 156,321) relating to key management personnel.

29.	**INTEREST INCOME**		
	On advance to suppliers and other balances	138,500	197,659
30.	**FINANCE COSTS**		
	On bank loans and other balances[(a)]	627,738	247,387
	On long term loan from a related party	--	167,451
	On lease liabilities	937,244	1,199,173
		1,564,982	1,614,011

(a) Include finance costs recharged by a related party amounting to AED 133,617 (previous year AED 189,832).

31. **FINANCIAL INSTRUMENTS**

Financial instruments

Classification and fair values

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

	At amortised cost	
	2023	2022
	AED	AED
Financial assets		
Deposits and other receivables	2,833,273	3,088,228
Due from related parties	15,396,355	11,351,355
Cash and cash equivalents	3,102,733	8,108,799
Other financial assets	12,905,499	50,000
	34,237,860	22,598,382
Financial liabilities		
Long-term borrowings	22,517,812	--
Trade and other payables	17,172,216	11,472,345
Due to related parties	1,647,375	1,269,084
Lease liabilities (current and non-current)	12,470,414	18,928,579
	53,807,817	31,670,008

Fair value measurement and disclosures

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 financial assets, trade and other payables, current lease liabilities 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 values of long-term borrowings and non-current lease liabilities 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.

Financial risk management

Risk management objectives

Risk is inherent in the Establishment's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Establishment's continuing profitability. The Establishment's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

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).

The management of the Establishment reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.

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 financial assets.

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

The management assesses the credit risk arising from deposits and 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.

Due from related parties are stated net of the allowance for doubtful recoveries.

At the reporting date 99% of due from related parties are due from a related party (previous year 96% from a related party).

Liquidity risk
Liquidity risk is the risk that the Establishment may encounter difficulty in meeting financial obligations due to shortage of funds. The Establishment 's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Establishment's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Establishment's reputation. The Establishment manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Establishment limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Establishment's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to four years		Total	
	2023	2022	2023	2022	2023	2022
	AED	AED	AED	AED	AED	AED
Long-term borrowing	--	--	22,517,812	--	22,517,812	--
Trade and other payables	17,172,216	11,472,345	--	--	17,172,216	11,472,345
Due to related parties	1,647,375	1,269,084	--	--	1,647,375	1,269,084
Lease liabilities (current and non-current)	7,493,089	9,019,676	5,730,801	11,728,306	13,223,890	20,747,982
	26,312,680	21,761,105	28,248,613	11,728,306	54,561,293	33,489,411

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Establishment's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

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. Long-term borrowing from Kotak Mahindra Bank Limited is subject to floating interest rates at levels generally obtained in the UAE or are linked to SOFR and are therefore exposed to cash flow interest rate risk.

At the reporting date, if interest rates had been 1% higher or lower, finance cost on variable rate debt would have been AED 225,178 higher or lower (previous year AED Nil) resulting in equity being higher or lower by AED 225,178 (previous year AED Nil).

		2023 AED	2022 AED
32.	**COMMITMENTS**		
	For purchase of property, plant and equipment (note 9)	7,481	2,464,976
33.	**CONTINGENT LIABILITIES**		
	Cash margin for clinic in Fujairah (note 15)	50,000	50,000

34. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Establishment for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Establishment in due course.

For **KAYA MIDDLE EAST FZE**

PIYUSH LOYA
DIRECTOR

RAJIV SURI
DIRECTOR

KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2023

KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.

FINANCIAL STATEMENTS AND REPORTS

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KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Manager submits his report and financial statements for the year ended 31 March 2023. 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 17,000. The Manager does not recommend any dividends for the year ended 31 March 2023.

Review of the business
The Company's licensed activity is treatment of dermatology.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021. The Company was initially registered as an establishment in March 2007 and on 6 March 2023, the legal form changed to a sole proprietorship limited liability company under the U.A.E. Federal Law No. (32) of 2021.

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

Shareholder and interest in share capital
During the year, vide amendments to the memorandum of association dated 6 March 2023, the ownership of the establishment has been transferred from Mr. Khalifa Ali Ahmed Abdulla Alhosani to Kaya Middle East FZE. Accordingly, the shareholder at 31 March 2023 and its interest as at that date in the share capital was as follows:

Name	**At 31 March 2023**		
	No. of shares	**AED**	**% holding**
Kaya Middle East FZE	150	150,000	100
	150	**150,000**	**100%**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

PIYUSH LOYA
MANAGER
16 May 2023

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P.O.Box 13094, Dubai, UAE.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.** (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Other Information
Management is responsible for the other information. Other information comprises the Manager's report as required by the UAE Federal Law No. (32) of 2021, 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 concluded 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.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

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 UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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. (32) of 2021, 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. (32) of 2021;

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 shares during the financial year ended 31 March 2023;

vi) note 6 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 2023; and

continued…

Accountants &
business advisers

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 2023 any of the applicable provisions of the U.A.E. Federal Decree-Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 and there are no penalties imposed on the Company.

For **PKF**

Lalwani

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
16 May 2023

KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31.3.2023 AED
ASSETS		
Current assets		
Due from a related party	6	150,000
Total assets		150,000
EQUITY AND LIABILITIES		
Equity		
Share capital	7	150,000
Accumulated losses		(17,000)
		133,000
Current liabilities		
Accruals	8	17,000
Total liabilities		17,000
Total equity and liabilities		150,000

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

Approved and authorised for issue by the shareholder on 16 May 2023 and signed on its behalf by the manager, Mr. Piyush Loya.

For **KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.**

PIYUSH LOYA
MANAGER

KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	1.4.2022 to 31.3.2023 AED
Revenue		--
General and administrative expenses	10	(17,000)
LOSS FOR THE YEAR		(17,000)
Other comprehensive income:		
Other comprehensive income for the year		--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(17,000)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Accumulated losses AED	Total (Note 12) AED
Issue of share capital	150,000	--	150,000
Total comprehensive income for the year	--	(17,000)	(17,000)
Balance at 31 March 2023	**150,000**	**(17,000)**	**133,000**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	1.4.2022 to 31.3.2023 AED
Cash flows from operating activities	
Loss for the year	**(17,000)**
Changes in:	
– Accruals	**17,000**
Net cash from operating activities	**--**
Net increase in cash and cash equivalents	**--**
Cash and cash equivalents at beginning of year	**--**
Cash and cash equivalents at end of year	**--**
Non-cash financing activities include:	
Issue of share capital	**150,000**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.** (the "Company") a limited liability company registered in Al Ain, United Arab Emirates, incorporated in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended (repealed by UAE Federal Law No. (2) of 2015 and further repealed by UAE Federal Law No. (32) of 2021). The registered office is P.O. Box 41756, Ahmed sultan Ahmed Al Salami-Building, Al Jimi area, Al Ain, U.A.E. The Company's licensed activity is treatment of dermatology.

b) The Company was initially registered as an Establishment with license no. CN 1136054 issued by the Department of Economic Development, Abu Dhabi on 7 March 2007 and on 6 March 2023, the legal form changed from establishment to a sole proprietorship with limited liability under the U.A.E Federal Decree-Law No. 32 of 2021. The Company has been managed and controlled by the parent company and therefore the assets, liabilities and the results of operations of the Company's business activities have been reported in the financial statements of the parent company. However, the management has decided to present standalone financial statements of the Company for the financial year commencing 1 April 2022 and accordingly no comparative information is presented in these financial statements (note 12).

c) The Company also has the following branch registered in Al Ain, United Arab Emirates:

Branch Name	Date of incorporation	License no.
Kaya Beauty Clinic – Branch 1	19 September 2011	CN 1136054-1

d) The Company is a wholly owned subsidiary of Kaya Middle East FZE (the "parent company"), a Free Zone Establishment with limited liability registered in United Arab Emirates. 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 year beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

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.

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 for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Financial Reporting Standards
  - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

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) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2015) of net profit until the reserve equals 50% of the share capital. The partners 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 to statutory reserve has been made on account of loss incurred by the Company.

b) **Revenue recognition**

The Company's licensed activity is treatment of dermatology.

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.
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.

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

c) **Foreign currency transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date.

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

d) **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.

e) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), needs to 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 does not have any output taxable supplies of goods or services. As VAT register is not mandatory in UAE for such an entity, the Company has opted not to register under VAT.

f) **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.

All other liabilities are classified as non-current.

g) **Financial instruments**

Classification

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

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Financial assets
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 due from a related party.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise of accruals.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 expected credit losses, except for the following which are measured as 12-month expected credit losses:

- 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 expected credit losses, 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 30 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 expected credit losses 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.

h) **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

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

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:

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(g).

6. **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 at prices determined by the management.

Related parties comprise shareholder, companies under common ownership and/or common management control and key management personnel.

At the reporting date, significant balance with the shareholder was as follows.

	31.3.2023
	AED
Due from a related party[(a)]	150,000
Accruals	17,000

(a) Represents due from shareholder against the share capital of the Company.

Balance is unsecured and is expected to be settled in cash. Repayment and other terms are set out in note 11.

There are no significant transactions with related parties during the year

Certain staff and administrative related services are availed from a related party free of cost.

	31.3.2023
	AED
7. **SHARE CAPITAL**	
Issued and paid up:	
150 shares of AED 1,000 each	150,000

During the year, vide amendment to the memorandum of association dated 6 March 2023, the ownership of the establishment has been transferred from Mr. Khalifa Ali Ahmed Abdulla Alhosani to Kaya Middle East FZE. Accordingly, the shareholder at 31 March 2023 and its interest as at that date in the share capital was as follows:

Name	At 31 March 2023		
	No. of shares	AED	% holding
Kaya Middle East FZE	150	150,000	100
	150	**150,000**	**100%**

	31.3.2023 AED
8. ACCRUALS	
Accruals	17,000

The entire accruals are due for payment within one year from the reporting date.

9. **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 shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owed by the Company net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of Article 308 of the UAE Federal Law No. (32) of 2021. The Company has complied with all the capital requirements to which it is subject.

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

	1.4.2022 to 31.3.2023 AED
10. GENERAL AND ADMINISTRATIVE EXPENSES	
Other expenses	17,000

11. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments

Classification and fair values

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

	At amortised cost 31.3.2023 AED
Financial assets	
Due from a related party	150,000
Financial liabilities	
Accruals	17,000

Fair vale measurement and disclosures

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

The fair values of due from a related party and accruals approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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 cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally due from a related party.

The management assesses the credit risk arising from 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.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Concern limits its liquidity risk by ensuring adequate arrangements with its related parties.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year
	31.3.2023
	AED
Accruals	**17,000**

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant interest rate risks.

12. **COMPARATIVE INFORMATION**

These are the first set of financial statements prepared by the management for the Company [Note 1(b)] and, accordingly, no comparative information is presented.

13. **CORPORATE TAX**

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **KAYA BEAUTY CLINIC - SOLE PROPRIETORSHIP L.L.C.**

PIYUSH LOYA
MANAGER

KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2023

KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2023

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KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C

MANAGERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The managers submit their report and financial statements for the year ended 31 March 2023. We approve the financial statements and confirm that we are responsible for these, 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.

Results and dividends
The loss for the year amounted to AED 17,000. The managers do not recommend any dividends for the year ended 31 March 2023.

Review of the business
The Company's licensed activity is dermatology clinic.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021. The Company was initially registered as a sole establishment in May 2004 and on 14 February 2023, the legal form changed to a single owner limited liability company under the U.A.E. Federal Law No. (32) of 2021.

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

Shareholder and interest in share capital
During the year, vide amendments to the memorandum of association dated 14 February 2023, the ownership of the sole establishment has been transferred from Mr. Ahmed Khalil Mohamed Samea Almutawa to Kaya Middle East FZE. Accordingly, the shareholder at 31 March 2023 and its interest as at that date in the share capital was as follows:

Name	**At 31 March 2023**		
	No. of shares	**AED**	**% holding**
Kaya Middle East FZE	100	100,000	100
	100	**100,000**	**100%**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

RAJIV SURI
MANAGER
16 May 2023

PIYUSH LOYA
MANAGER

PKF
Accountants &
business advisers

PKF - Chartered Accountants (Dubai Br)
بيه كي إف - تشارترد اكاونتنتس (فرع دبي)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C** (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information

Management is responsible for the other information. Other information comprises the Managers' report as required by the UAE Federal Law No. (32) of 2021, 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 concluded 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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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 UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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. (32) of 2021, 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. (32) of 2021;

iii) the Company has maintained proper books of account;

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

v) the Company has not purchased or invested in shares during the financial year ended 31 March 2023;

vi) note 6 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 2023; and

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Accountants &
business advisers

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 2023 any of the applicable provisions of the U.A.E. Federal Decree-Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 and there are no penalties imposed on the Company.

For **PKF**

Lalwani

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
16 May 2023

KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31.3.2023 AED
ASSETS		
Current assets		
Due from a related party	6	100,000
Total assets		100,000
EQUITY AND LIABILITIES		
Equity		
Share capital	7	100,000
Accumulated losses		(17,000)
		83,000
Current liabilities		
Accruals	8	17,000
Total liabilities		17,000
Total equity and liabilities		100,000

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

Approved and authorised for issue by the shareholder on 16 May 2023 and signed on its behalf by the managers, Mr. Piyush Loya and Mr. Rajiv Suri

For **KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C**

RAJIV SURI
MANAGER

PIYUSH LOYA
MANAGER

KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	1.4.2022 to 31.3.2023 AED
Revenue		--
General and administrative expenses	10	(17,000)
LOSS FOR THE YEAR		(17,000)
Other comprehensive income:		
Other comprehensive income for the year		--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(17,000)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Accumulated losses AED	Total (Note 12) AED
Issue of share capital	100,000	--	100,000
Total comprehensive income for the year	--	(17,000)	(17,000)
Balance at 31 March 2023	**100,000**	**(17,000)**	**83,000**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	1.4.2022 to 31.3.2023 AED
Cash flows from operating activities	
Loss for the year	**(17,000)**
Changes in:	
– Accruals	**17,000**
Net cash from operating activities	**--**
Net increase in cash and cash equivalents	**--**
Cash and cash equivalents at beginning of year	**--**
Cash and cash equivalents at end of year	**--**
Non-cash financing activities include:	
Issue of share capital	**100,000**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C** (the "Company") a limited liability company registered in Dubai, United Arab Emirates, incorporated in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended (repealed by UAE Federal Law No. (2) of 2015 and further repealed by UAE Federal Law No. (32) of 2021). The registered office is P.O. Box 121538, Dubai, U.A.E. The Company's licensed activity is dermatology clinic.

b) The Company was initially registered as a sole establishment with license no. 556641 issued by the Department of Economy and Tourism, Dubai on 2 May 2004 and subsequently on 14 February 2023, the legal form changed from a sole establishment to a single owner limited liability company under the U.A.E Federal Decree-Law No.32 of 2021. The Company has been managed and controlled by the parent company and therefore the assets, liabilities and the results of operations of the Company's business activities have been reported in the financial statements of the parent company. However, the management has decided to present standalone financial statements of the Company for the financial year commencing 1 April 2022 and accordingly no comparative information is presented in these financial statements (note 12).

c) The Company also has the following branches registered in Dubai, United Arab Emirates:

Branch Name	**Date of incorporation**	**License no.**
Kaya Skin Care Clinic (Branch)	17 November 2016	770511
Kaya Skin Care Clinic (Branch)	1 December 2008	619866
Kaya Skin Care Clinic (Branch)	1 December 2004	563605
Kaya Skin Care Clinic (Branch)	19 February 2009	622370

d) The Company is a wholly owned subsidiary of Kaya Middle East FZE (the "parent company"), a Free Zone Establishment with limited liability registered in United Arab Emirates. 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 year beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

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.

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 for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
    - IFRS 9 Financial Instruments
    - IFRS 16 Leases
    - IFRS 1 First-time Adoption of International Financial Reporting Standards
    - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

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) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2015) of net profit until the reserve equals 50% of the share capital. The partners 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 to statutory reserve has been made on account of loss incurred by the Company.

b) **Revenue recognition**

The Company's licensed activity is dermatology clinic.

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.
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.

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

c) **Foreign currency transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date.

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

d) **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.

e) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), needs to 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 does not have any output taxable supplies of goods or services. As VAT register is not mandatory in UAE for such an entity, the Company has opted not to register under VAT.

f) **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.

All other liabilities are classified as non-current.

g) **Financial instruments**

Classification

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

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Financial assets
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 due from a related party.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise of accruals.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 expected credit losses, except for the following which are measured as 12-month expected credit losses:

- 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 expected credit losses, 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 30 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 expected credit losses 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.

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

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:

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(g).

6. 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 at prices determined by the management.

Related parties comprise shareholder, companies under common ownership and/or common management control and managers.

At the reporting date, significant balance with the shareholder was as follows.

	31.3.2023
	AED
Due from a related party[a]	100,000

(a) Represents due from shareholder against the share capital of the Company.

Balance is unsecured and is expected to be settled in cash. Repayment and other terms are set out in note 11.

There are no significant transactions with related parties during the year.

Certain staff and administrative related services are availed from a related party free of cost.

	31.3.2023
	AED
7. SHARE CAPITAL	
Issued and paid up:	
100 shares of AED 1,000 each	100,000

During the year, vide amendments to the memorandum of association dated 14 February 2023, the ownership of the sole establishment has been transferred from Mr. Ahmed Khalil Mohamed Samea Almutawa to Kaya Middle East FZE. Accordingly, the shareholder at 31 March 2023 its interest as at that date in the share capital was as follows:

Name	At 31 March 2023		
	No. of shares	AED	% holding
Kaya Middle East FZE	100	100,000	100
	100	100,000	100%

	31.3.2023 AED
8. ACCRUALS	
Accruals	17,000

The entire accruals are due for payment within one year from the reporting date.

9. 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 shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owed by the Company net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of Article 308 of the UAE Federal Law No. (32) of 2021. The Company has complied with all the capital requirements to which it is subject.

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

	1.4.2022 to 31.3.2023 AED
10. GENERAL AND ADMINISTRATIVE EXPENSES	
Other expenses	17,000

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	At amortised cost
	31.3.2023
	AED
Financial assets	
Due from a related party	**100,000**
Financial liabilities	
Accruals	**17,000**

Fair vale measurement and disclosures

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

The fair values of due from a related party and accruals approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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 cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally due from a related party.

The management assesses the credit risk arising from 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.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Concern limits its liquidity risk by ensuring adequate arrangements with its related parties.

The table below summarises the maturities of the Company’s undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year
	31.3.2023
	AED
Accruals	**17,000**

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company’s income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant interest rate risks.

12. COMPARATIVE INFORMATION

These are the first set of financial statements prepared by the management for the Company [Note 1(b)] and, accordingly, no comparative information is presented.

13. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **KAYA SKIN CARE CLINIC – SINGLE OWNER L.L.C**

RAJIV SURI	**PIYUSH LOYA**
MANAGER	**MANAGER**

KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2023

KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2023

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KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The manager submits his report and financial statements for the year ended 31 March 2023. 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 17,000. The Manager does not recommend any dividends for the year ended 31 March 2023.

Review of the business
The Company's licensed activities are medical complex and retail of cosmetic products.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021. The Company was initially registered as an establishment in November 2005 and on 9 February 2023, the legal form changed to a sole proprietorship limited liability company under the U.A.E. Federal Law No. (32) of 2021.

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

Shareholder and interest in share capital
During the year, vide amendments to the memorandum of association dated 9 February 2023, the ownership of the establishment has been transferred from Mr. Abdulla Khalil Mohamed Samea Almutawa to Kaya Middle East FZE. Accordingly, the shareholder at 31 March 2023 and its interest as at that date in the share capital was as follows:

Name	**At 31 March 2023**		
	No. of shares	**AED**	**% holding**
Kaya Middle East FZE	100	100,000	100
	100	**100,000**	**100%**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

PIYUSH LOYA
MANAGER
16 May 2023

PKF
Accountants &
business advisers

PKF - Chartered Accountants (Dubai Br)
بيه كي إف - تشارترد اكاونتنتس (فرع دبي)

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Sheikh Zayed Road,
P.O.Box 13094, Dubai, UAE.

Tel +9714 3888 900
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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.** (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information

Management is responsible for the other information. Other information comprises the Manager's report as required by the UAE Federal Law No. (32) of 2021, 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 concluded 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.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

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 UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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. (32) of 2021, 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. (32) of 2021;

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 shares during the financial year ended 31 March 2023;

vi) note 6 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 2023; 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 2023 any of the applicable provisions of the U.A.E. Federal Decree-Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 and there are no penalties imposed on the Company.

For **PKF**

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
16 May 2023

KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31.3.2023 AED
ASSETS		
Current assets		
Due from a related party	6	100,000
Total assets		100,000
EQUITY AND LIABILITIES		
Equity		
Share capital	7	100,000
Accumulated losses		(17,000)
		83,000
Current liabilities		
Accruals	8	17,000
Total liabilities		17,000
Total equity and liabilities		100,000

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

Approved and authorised for issue by the shareholder on 16 May 2023 and signed on its behalf by the manager, Mr. Piyush Loya.

For **KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.**

PIYUSH LOYA
MANAGER

KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	1.4.2022 to 31.3.2023 AED
Revenue		--
General and administrative expenses	10	(17,000)
LOSS FOR THE YEAR		(17,000)
Other comprehensive income:		
Other comprehensive income for the year		--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(17,000)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Accumulated losses AED	Total (Note 12) AED
Issue of share capital	100,000		100,000
Total comprehensive income for the year	--	(17,000)	(17,000)
Balance at 31 March 2023	**100,000**	**(17,000)**	**83,000**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	1.4.2022 to 31.3.2023 AED
Cash flows from operating activities	
Loss for the year	(17,000)
Changes in:	
– Accruals	17,000
Net cash from operating activities	--
Net increase in cash and cash equivalents	--
Cash and cash equivalents at beginning of year	--
Cash and cash equivalents at end of year	--
Non-cash investing activities include	
Issue of share capital	100,000

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.** (the "Company") a limited liability company registered in Abu Dhabi, United Arab Emirates, incorporated in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended (repealed by UAE Federal Law No. (2) of 2015 and further repealed by UAE Federal Law No. (32) of 2021). The registered office is P.O. Box 41756, Al Wahda Sports and Cultural Club, Abu Dhabi, U.A.E. The Company's licensed activities are medical complex and retail of cosmetic products.

b) The Company was initially registered as an establishment with license no. CN 1079362 issued by the Department of Economic Development, Abu Dhabi on 30 November 2005 and subsequently on 9 February 2023, the legal form changed from establishment to a sole proprietorship limited liability company under the U.A.E Federal Decree-Law No.32 of 2021. The Company has been managed and controlled by the parent company and therefore the assets, liabilities and the results of operations of the Company's business activities have been reported in the financial statements of the parent company. However, the management has decided to present standalone financial statements of the Company for the financial year commencing 1 April 2022 and accordingly no comparative information is presented in these financial statements (note 12).

c) The Company also has the following branches registered in Abu Dhabi, United Arab Emirates:

Branch Name	Date of incorporation	License no.
Kaya Skin care clinic – Branch	6 April 2009	CN 1079362-1
Kaya Skin care clinic – Branch 2	29 April 2010	CN 1079362-2
Kaya Skin Care Clinic - Branch 3 - Abu Dhabi Mall	18 July 2010	CN 1079362-3
Kaya Skin Care Clinic - Mushrif Mall Branch	30 March 2011	CN 1079362-4

d) The Company is a wholly owned subsidiary of Kaya Middle East FZE (the "parent company"), a Free Zone Establishment with limited liability registered in United Arab Emirates. 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 year beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

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.

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 for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Financial Reporting Standards
  - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

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) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2015) of net profit until the reserve equals 50% of the share capital. The partners 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 to statutory reserve has been made on account of loss incurred by the Company.

b) **Revenue recognition**

The Company's licensed activities are medical complex and retail of cosmetic products.

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.
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.

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

c) **Foreign currency transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date.

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

d) **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.

e) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), needs to 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 does not have any output taxable supplies of goods or services. As VAT register is not mandatory in UAE for such an entity, the Company has opted not to register under VAT.

f) **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.

All other liabilities are classified as non-current.

g) **Financial instruments**

Classification

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

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Financial assets

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 due from a related party.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise of accruals.

Impairment of financial assets
The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 expected credit losses, except for the following which are measured as 12-month expected credit losses:

- 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 expected credit losses, 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 30 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 expected credit losses 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.

h) **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

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

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:

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(g).

6. 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 at prices determined by the management.

Related parties comprise shareholder, companies under common ownership and/or common management control and manager.

At the reporting date, significant balance with the shareholder was as follows.

	31.3.2023
	AED
Due from a related party[(a)]	100,000

(a) Represents due from shareholder against the share capital of the Company.

Balance is unsecured and is expected to be settled in cash. Repayment and other terms are set out in note 11.

There are no significant transactions with related parties during the year.

Certain staff and administrative related services are availed from a related party free of cost.

	31.3.2023 AED
7. SHARE CAPITAL	
Issued and paid up:	
100 shares of AED 1,000 each	100,000

During the year, vide amendments to the memorandum of association dated 9 February 2023, the ownership of the establishment has been transferred from Mr. Abdulla Khalil Mohamed Samea Almutawa to Kaya Middle East FZE. Accordingly, the shareholder at 31 March 2023 and its interest as at that date in the share capital was as follows:

Name	At 31 March 2023		
	No. of shares	AED	% holding
Kaya Middle East FZE	100	100,000	100
	100	**100,000**	**100%**

	31.3.2023 AED
8. ACCRUALS	
Accruals	17,000

The entire accruals are due for payment within one year from the reporting date.

9. 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 shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owed by the Company net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of Article 308 of the UAE Federal Law No. (32) of 2021. The Company has complied with all the capital requirements to which it is subject.

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

	1.4.2022 to 31.3.2023 AED
10. GENERAL AND ADMINISTRATIVE EXPENSES	
Other expenses	17,000

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	At amortised cost 31.3.2023 AED
Financial assets	
Due from a related party	100,000
Financial liabilities	
Accruals	17,000

Fair vale measurement and disclosures

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

The fair values of due from a related party and accruals approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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 cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally due from a related party.

The management assesses the credit risk arising from 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.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Concern limits its liquidity risk by ensuring adequate arrangements with its related parties.

The table below summarises the maturities of the Company’s undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year 31.3.2023 AED
Accruals	17,000

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant interest rate risks.

12. COMPARATIVE INFORMATION

These are the first set of financial statements prepared by the management for the Company [Note 1(b)] and, accordingly, no comparative information is presented.

13. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **KAYA SKIN CARE CLINIC - SOLE PROPRIETORSHIP L.L.C.**

PIYUSH LOYA
MANAGER

KAYA SKIN MEDICAL CENTER LLC

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2023

KAYA SKIN MEDICAL CENTER LLC

FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2023

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KAYA SKIN MEDICAL CENTER LLC

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The manager submits his report and financial statements for the year ended 31 March 2023. 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 17,000. The Manager does not recommend any dividends for the year ended 31 March 2023.

Review of the business
The Company's licensed activities are dermatology and venerology clinic, laser complexion care and medical complex.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021. The Company was initially registered as branch of a free zone company in September 2006 and on 17 March 2023, the legal form changed to a limited liability company under the U.A.E. Federal Law No. (32) of 2021.

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

Shareholders and interests in share capital
During the year, vide amendment to the memorandum of association dated 17 March 2023, 1% of the ownership in the Company has been transferred from Kaya Middle East FZE to Mr. Adnan Ali Abdullah Muhammad. Accordingly, the shareholders at 31 March 2023 and their interests as at that date in the share capital were as follows:

Name	**At 31 March 2023**		
	No. of shares	**AED**	**% holding**
Kaya Middle East FZE	99	99,000	99
Adnan Ali Abdullah Muhammad	1	1,000	1
	100	**100,000**	**100%**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

PIYUSH LOYA
MANAGER
16 May 2023

Level 18, Rolex Tower,
Sheikh Zayed Road,
P.O.Box 13094, Dubai, UAE.

Tel +9714 3888 900
Email dubai@pkfuae.com
www.pkfuae.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of KAYA SKIN MEDICAL CENTER LLC
Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **KAYA SKIN MEDICAL CENTER LLC** (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Other Information
Management is responsible for the other information. Other information comprises the Manager's report as required by the UAE Federal Law No. (32) of 2021, 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 concluded 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.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

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 UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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. (32) of 2021, 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. (32) of 2021;

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 shares during the financial year ended 31 March 2023;

vi) note 6 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 2023; and

continued…

Accountants &
business advisers

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 2023 any of the applicable provisions of the U.A.E. Federal Decree-Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 and there are no penalties imposed on the Company.

For **PKF**

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
16 May 2023

KAYA SKIN MEDICAL CENTER LLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31.3.2023 AED
ASSETS		
Current assets		
Due from related parties	6	100,000
Total assets		100,000
EQUITY AND LIABILITIES		
Equity		
Share capital	7	100,000
Accumulated losses		(17,000)
		83,000
Current liabilities		
Accruals	8	17,000
Total liabilities		17,000
Total equity and liabilities		100,000

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

Approved and authorised for issue by the shareholders on 16 May 2023 and signed on their behalf by the manager, Mr. Piyush Loya.

For **KAYA SKIN MEDICAL CENTER LLC**

PIYUSH LOYA
MANAGER

KAYA SKIN MEDICAL CENTER LLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	1.4.2022 to 31.3.2023 AED
Revenue		--
General and administrative expenses	10	(17,000)
LOSS FOR THE YEAR		(17,000)
Other comprehensive income:		
Other comprehensive income for the year		--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(17,000)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA SKIN MEDICAL CENTER LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Accumulated losses AED	Total (Note 12) AED
Issue of share capital	100,000	--	100,000
Total comprehensive income for the year	--	(17,000)	(17,000)
Balance at 31 March 2023	**100,000**	**(17,000)**	**83,000**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA SKIN MEDICAL CENTER LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	1.4.2022 to 31.3.2023 AED
Cash flows from operating activities	
Loss for the year	(17,000)
Changes in:	
– Accruals	17,000
Net cash from operating activities	--
Net increase in cash and cash equivalents	--
Cash and cash equivalents at beginning of year	--
Cash and cash equivalents at end of year	--
Non-cash financing activities include:	
Issue of share capital	100,000

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA SKIN MEDICAL CENTER LLC** (the "Company") a limited liability company registered in Fujairah, United Arab Emirates, incorporated in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended (repealed by UAE Federal Law No. (2) of 2015 and further repealed by UAE Federal Law No. (32) of 2021). The registered office is P.O. Box 3083, Hamad Bin Abdulla street, Fujairah, U.A.E. The Company's licensed activities are dermatology and venerology clinic, laser complexion care and medical complex.

b) The Company was initially registered as branch of a free zone company with license no. 61962 issued by Fujairah Municipality, Fujairah on 6 September 2006 and subsequently on 17 March 2023, the legal form changed from branch of a free zone company to a limited liability company under the U.A.E Federal Law No. (32) of 2021. The Company has been managed and controlled by the parent company and therefore the assets, liabilities and the results of operations of the Company's business activities have been reported in the financial statements of the parent company. However, the management has decided to present standalone financial statements of the Company for the financial year commencing 1 April 2022 and accordingly no comparative information is presented in these financial statements (note 12).

c) The Company is a wholly owned subsidiary of Kaya Middle East FZE (the "parent company"), a Free Zone Establishment with limited liability registered in United Arab Emirates. 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 year beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

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.

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 for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
    - IFRS 9 Financial Instruments
    - IFRS 16 Leases
    - IFRS 1 First-time Adoption of International Financial Reporting Standards
    - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

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) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2015) of net profit until the reserve equals 50% of the share capital. The partners 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 to statutory reserve has been made on account of loss incurred by the Company.

b) **Revenue recognition**

The Company's licensed activities are dermatology and venerology clinic, laser complexion care and medical complex.

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.
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.

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

c) **Foreign currency transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date.

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

d) **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.

e) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), needs to 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 does not have any output taxable supplies of goods or services. As VAT register is not mandatory in UAE for such an entity, the Company has opted not to register under VAT.

f) **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.

All other liabilities are classified as non-current.

g) **Financial instruments**

Classification

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

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Financial assets

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 due from related parties.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise of accruals.

Impairment of financial assets
The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Due from related parties 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 expected credit losses, 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 30 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 expected credit losses 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.

h) **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

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

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:

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(g).

6. 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 at prices determined by the management.

Related parties comprise shareholders, companies under common ownership and/or common management control and manager.

At the reporting date, significant balance with the shareholders was as follows.

	31.3.2023 AED
Due from related parties[a]	100,000

(a) Represents due from shareholders against the share capital of the Company.

Balance is unsecured and is expected to be settled in cash. Repayment and other terms are set out in note 11.

There are no significant transactions with related parties during the year.

Certain staff and administrative related services are availed from a related party free of cost.

	31.3.2023 AED
7. SHARE CAPITAL	
Issued and paid up:	
100 shares of AED 1,000 each	**100,000**

During the year, vide amendment to the memorandum of association dated 17 March 2023, 1% of the ownership in the Company has been transferred from Kaya Middle East FZE to Mr. Adnan Ali Abdullah Muhammad. Accordingly, the shareholders at 31 March 2023 and their interests as at that date in the share capital were as follows:

Name	At 31 March 2023		
	No. of shares	AED	% holding
Kaya Middle East FZE	99	99,000	99
Adnan Ali Abdullah Muhammad	1	1,000	1
	100	**100,000**	**100%**

	31.3.2023 AED
8. ACCRUALS	
Accruals	**17,000**

The entire accruals are due for payment within one year from the reporting date.

9. **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 its investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owed by the Company net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of Article 308 of the UAE Federal Law No. (32) of 2021. The Company has complied with all the capital requirements to which it is subject.

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

	1.4.2022 to 31.3.2023 AED
10. GENERAL AND ADMINISTRATIVE EXPENSES	
Other expenses	17,000

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	At amortised cost 31.3.2023 AED
Financial assets	
Due from related parties	100,000
Financial liabilities	
Accruals	17,000

Fair vale measurement and disclosures

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

The fair values of due from related parties and accruals approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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 cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.
Financial assets that potentially expose the Company to concentrations of credit risk comprise principally due from related parties.

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

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk
Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Concern limits its liquidity risk by ensuring adequate arrangements with its related parties.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year 31.3.2023 AED
Accruals	17,000

Market risk
Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant interest rate risks.

12. COMPARATIVE INFORMATION

These are the first set of financial statements prepared by the management for the Company [Note 1(b)] and, accordingly, no comparative information is presented.

13. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **KAYA SKIN MEDICAL CENTER LLC**

PIYUSH LOYA
MANAGER

KAYA TRADING – SINGLE OWNER L.L.C

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2023

KAYA TRADING – SINGLE OWNER L.L.C

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2023

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KAYA TRADING – SINGLE OWNER L.L.C

MANAGERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The managers submit their report and financial statements for the year ended 31 March 2023. We approve the financial statements and confirm that we are responsible for these, 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.

Results and dividends
The loss for the year amounted to AED 17,000. The managers do not recommend any dividends for the year ended 31 March 2023.

Review of the business
The Company's licensed activities are trading in perfumes & cosmetics, beauty and personal care requisites.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021. The Company was initially registered as a sole establishment in November 2005 and on 14 February 2023, the legal form changed to a single owner limited liability company under the U.A.E. Federal Law No. (32) of 2021.

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

Shareholder and interest in share capital
During the year, vide amendments to the memorandum of association dated 14 February 2023, the ownership of the sole establishment has been transferred from Mr. Ahmed Khalil Mohammad Samea Almutawa to Kaya Middle East FZE. Accordingly, the shareholder at 31 March 2023 and its interest as at that date in the share capital was as follows:

Name	**At 31 March 2023**		
	No. of shares	**AED**	**% holding**
Kaya Middle East FZE	100	100,000	100
	100	**100,000**	**100%**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

RAJIV SURI
MANAGER
16 May 2023

PIYUSH LOYA
MANAGER

PKF - Chartered Accountants (Dubai Br)
بيه كي إف - تشارترد اكاونتنتس (فرع دبي)
Accountants & business advisers

Level 18, Rolex Tower,
Sheikh Zayed Road,
P.O.Box 13094, Dubai, UAE.

Tel +9714 3888 900
Email dubai@pkfuae.com
www.pkfuae.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of KAYA TRADING – SINGLE OWNER L.L.C

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KAYA TRADING – SINGLE OWNER L.L.C** (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information

Management is responsible for the other information. Other information comprises the Managers' report as required by the UAE Federal Law No. (32) of 2021, 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 concluded 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.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

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 UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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. (32) of 2021, 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. (32) of 2021;

iii) the Company has maintained proper books of account;

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

v) the Company has not purchased or invested in shares during the financial year ended 31 March 2023;

vi) note 6 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 2023; 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 2023 any of the applicable provisions of the U.A.E. Federal Decree-Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 and there are no penalties imposed on the Company.

For **PKF**

Lalwani

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
16 May 2023

KAYA TRADING – SINGLE OWNER L.L.C

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31.3.2023 AED
ASSETS		
Current assets		
Due from a related party	6	100,000
Total assets		100,000
EQUITY AND LIABILITIES		
Equity		
Share capital	7	100,000
Accumulated losses		(17,000)
		83,000
Current liabilities		
Accruals	8	17,000
Total liabilities		17,000
Total equity and liabilities		100,000

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

Approved and authorised for issue by the shareholder on 16 May 2023 and signed on its behalf by the managers, Mr. Rajiv Suri and Mr. Piyush Loya.

For **KAYA TRADING – SINGLE OWNER L.L.C**

RAJIV SURI
MANAGER

PIYUSH LOYA
MANAGER

KAYA TRADING – SINGLE OWNER L.L.C

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	1.4.2022 to 31.3.2023 AED
Revenue		--
General and administrative expenses	10	(17,000)
LOSS FOR THE YEAR		(17,000)
Other comprehensive income:		
Other comprehensive income for the year		--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(17,000)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA TRADING – SINGLE OWNER L.L.C

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Accumulated losses AED	Total (Note 12) AED
Issue of share capital	100,000	--	100,000
Total comprehensive income for the year	--	(17,000)	(17,000)
Balance at 31 March 2023	**100,000**	**(17,000)**	**83,000**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

KAYA TRADING – SINGLE OWNER L.L.C

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	1.4.2022 to 31.3.2023 AED
Cash flows from operating activities	
Loss for the year	(17,000)
Changes in:	
– Accruals	17,000
Net cash from operating activities	--
Net increase in cash and cash equivalents	--
Cash and cash equivalents at beginning of year	--
Cash and cash equivalents at end of year	--
Non-cash financing activities include:	
Issue of share capital	100,000

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA TRADING – SINGLE OWNER L.L.C** (the "Company") a limited liability company registered in Dubai, United Arab Emirates, incorporated in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended (repealed by UAE Federal Law No. (2) of 2015 and further repealed by UAE Federal Law No. (32) of 2021). The registered office is P.O. Box 121538, Dubai, U.A.E. The Company's licensed activities are trading in perfumes & cosmetics, beauty and personal care requisites.

b) The Company was initially registered as a sole establishment with license no. 575094 issued by the Department of Economy and Tourism, Dubai on 20 November 2005 and subsequently on 14 February 2023, the legal form changed from sole establishment to a single owner limited liability company under the U.A.E Federal Law No.32 of 2021. The Company has been managed and controlled by the parent company and therefore the assets, liabilities and the results of operations of the Company's business activities have been reported in the financial statements of the parent company. However, the management has decided to present standalone financial statements of the Company for the financial year commencing 1 April 2022 and accordingly no comparative information is presented in these financial statements (note 12).

c) The Company is a wholly owned subsidiary of Kaya Middle East FZE (the "parent company"), a Free Zone Establishment with limited liability registered in United Arab Emirates. 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 year beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

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.

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 for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
    - IFRS 9 Financial Instruments
    - IFRS 16 Leases
    - IFRS 1 First-time Adoption of International Financial Reporting Standards
    - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

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) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2015) of net profit until the reserve equals 50% of the share capital. The partners 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 to statutory reserve has been made on account of loss incurred by the Company.

b) **Revenue recognition**

The Company's licensed activities are trading in perfumes & cosmetics, beauty and personal care requisites.

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.
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.

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

c) **Foreign currency transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date.

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

d) **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.

e) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), needs to 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 does not have any output taxable supplies of goods or services. As VAT register is not mandatory in UAE for such an entity, the Company has opted not to register under VAT.

f) **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.

All other liabilities are classified as non-current.

g) **Financial instruments**

Classification

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

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Financial assets
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 due from a related party.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise of accruals.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 expected credit losses, except for the following which are measured as 12-month expected credit losses:

- 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 expected credit losses, 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 30 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 expected credit losses 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.

h) **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

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

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:

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(g).

6. **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 at prices determined by the management.

Related parties comprise shareholder, companies under common ownership and/or common management control and managers.

At the reporting date, significant balance with the shareholder was as follows.

	31.3.2023 AED
Due from a related party[(a)]	100,000

(a) Represents due from shareholder against the share capital of the Company.

Balance is unsecured and is expected to be settled in cash. Repayment and other terms are set out in note 11.

There are no significant transactions with related parties during the year.

Certain staff and administrative related services are availed from a related party free of cost.

		31.3.2023 AED
7.	**SHARE CAPITAL**	
	Issued and paid up:	
	100 shares of AED 1,000 each	100,000

During the year, vide amendments to the memorandum of association dated 14 February 2023, the ownership of the sole establishment has been transferred from Mr. Ahmed Khalil Mohammad Samea Almutawa to Kaya Middle East FZE. Accordingly, the shareholder at 31 March 2023 and its interest as at that date in the share capital was as follows:

Name	At 31 March 2023		
	No. of shares	AED	% holding
Kaya Middle East FZE	100	100,000	100
	100	100,000	100%

		31.3.2023 AED
8.	**ACCRUALS**	
	Accruals	17,000

The entire accruals are due for payment within one year from the reporting date.

9. 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 shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owed by the Company net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of Article 308 of the UAE Federal Law No. (32) of 2021. The Company has complied with all the capital requirements to which it is subject.

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

		1.4.2022 to 31.3.2023 AED
10.	**GENERAL AND ADMINISTRATIVE EXPENSES**	
	Other expenses	17,000

11. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments

Classification and fair values

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

	At amortised cost 31.3.2023 AED
Financial assets	
Due from a related party	**100,000**
Financial liabilities	
Accruals	**17,000**

Fair vale measurement and disclosures

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

The fair values of due from a related party and accruals approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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 cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally due from a related party.

The management assesses the credit risk arising from 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.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Concern limits its liquidity risk by ensuring adequate arrangements with its related parties.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year
	31.3.2023
	AED
Accruals	**17,000**

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant interest rate risks.

12. **COMPARATIVE INFORMATION**

These are the first set of financial statements prepared by the management for the Company [Note 1(b)] and, accordingly, no comparative information is presented.

13. **CORPORATE TAX**

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **KAYA TRADING – SINGLE OWNER L.L.C**

RAJIV SURI	**PIYUSH LOYA**
MANAGER	**MANAGER**

KAYA MIDDLE EAST DMCC

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2023

KAYA MIDDLE EAST DMCC

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2023

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PKF - Chartered Accountants (Dubai Br)
بيه كي إف - تشارترد اكاونتنتس (فرع دبي)

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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 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was 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 this matter.

Key audit matter	How our audit addressed the key audit matters
Impairment assessment of investments in subsidiaries	
During the year ended 31 March 2023, the Company has impaired investments in subsidiaries amounting to AED 13 million and as at that date, the carrying value of investments in subsidiaries amounted to AED 4.8 million as disclosed in note 7 to the financial statements. 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...

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 the Company incurred loss during the year ended 31 March 2023 and at that date, the Company had accumulated losses, net current liabilities and net deficit in equity funds.

   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 for payment. Accordingly, these financial statements have been prepared on a going concern basis.

   Our opinion is not modified in respect of 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.

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

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

- 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
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. Further, as referred in note 2(c) to the financial statements, since the losses of the Company exceeded 85% of its share capital, the shareholder has acknowledged the losses and has resolved to continue with the operations of the Company and rectify the situation before 31 March 2024.

For **PKF**

Lalwani

Saranga Lalwani
Partner
Registration No. 5468
Dubai
United Arab Emirates
19 May 2023

KAYA MIDDLE EAST DMCC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,339,789	1,564,082
Investments in subsidiaries	7	4,800,000	17,800,000
		6,139,789	19,364,082
Current assets			
Other current assets	8	4,661	10,517
Due from a related party	9	--	499,032
Cash and cash equivalents	10	28,356	195,651
		33,017	705,200
Total assets		6,172,806	20,069,282
EQUITY AND LIABILITIES			
Equity funds			
Share capital	11	12,924,000	12,924,000
Accumulated losses		(22,266,591)	(9,037,391)
(Deficit)/surplus in equity funds		(9,342,591)	3,886,609
Current liabilities			
Short-term borrowings	12	--	3,670,000
Trade and other payables	13	262,904	452,057
Due to related parties	9	15,252,493	12,060,616
		15,515,397	16,182,673
Total liabilities		15,515,397	16,182,673
Total liabilities net of deficit in equity funds		6,172,806	20,069,282

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 19 May 2023 and signed on its behalf by the directors, Mr. Rajiv Suri and Mr. Piyush Loya.

For **KAYA MIDDLE EAST DMCC**

RAJIV SURI
DIRECTOR

PIYUSH LOYA
DIRECTOR

KAYA MIDDLE EAST DMCC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 AED	2022 AED
Other income	15	--	171,779
Administrative expenses	16	(572,727)	(561,310)
Impairment of property, plant and equipment	6	--	(991,759)
Impairment of investments in subsidiaries	7	(13,000,000)	(3,700,000)
Dividend income from subsidiaries		343,527	1,147,500
Finance costs	17	--	(351,349)
LOSS FOR THE YEAR		(13,229,200)	(4,285,139)
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(13,229,200)	(4,285,139)

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.

KAYA MIDDLE EAST DMCC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Accumulated losses AED	Total AED
Balance at 1 April 2021	2,900,000	(4,752,252)	(1,852,252)
Issue of share capital	10,024,000	--	10,024,000
Total comprehensive income for the year	--	(4,285,139)	(4,285,139)
Balance at 31 March 2022	12,924,000	(9,037,391)	3,886,609
Total comprehensive income for the year	--	(13,229,200)	(13,229,200)
Balance at 31 March 2023	**12,924,000**	**(22,266,591)**	**(9,342,591)**

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.

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 ultimate parent company is Kaya Limited, a company registered in India and listed on Bombay Stock Exchange and National Stock Exchange, considered 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 2022, 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 (refer note 7), 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. 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.

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 office premises 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
Furniture, fixtures and office equipment	3 – 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.

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) **Investments 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 investments 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 is engaged in the business of 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

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 the dividend is established usually at the time of when dividend is declared and approved.

e) **Cash and cash equivalents**
Cash and cash equivalents comprise bank balances in current accounts.

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.

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, 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.

h) **Contingencies and commitments**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable

i) **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 charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the statement of financial statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

j) **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.

k) **Financial instruments**

Classification

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

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 fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest, on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Financial assets

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 amount 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 short-term borrowings, trade and other payables and due to related parties.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 Expected credit losses, except for the following which are measured as 12-month Expected credit losses:

- 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 Expected credit losses, 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 expected credit losses 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. For financial assets carried at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income, 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 Company.

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

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

Assessments of net recoverable amounts of property, plant and equipment is based on assumptions regarding future cash flows expected to be received from the related assets. Resulting impairment write downs are set out in note 6.

Impairment of financial assets

The loss allowances 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 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(k).

6. PROPERTY, PLANT AND EQUIPMENT

	Office premises[a] AED	Furniture, fixtures and office equipment AED	Total AED
Cost			
At 1 April 2021, 31 March 2022 and 31 March 2023	**3,098,903**	**1,475,936**	**4,574,839**
Accumulated depreciation			
At 1 April 2021	560,350	1,233,386	1,793,736
Depreciation	103,504	121,758	225,262
Impairment losses	991,759	--	991,759
At 31 March 2022	1,655,613	1,355,144	3,010,757
Depreciation	103,501	120,792	224,293
At 31 March 2023	**1,759,114**	**1,475,936**	**3,235,050**
Carrying amount			
At 1 April 2021	2,538,553	242,550	2,781,103
At 31 March 2022	1,443,290	120,792	1,564,082
At 31 March 2023	**1,339,789**	**--**	**1,339,789**

(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 12).

	2023 AED	2022 AED
7. INVESTMENTS IN SUBSIDIARIES		
Interest in share capital at cost in:		
– Minal Medical Centre LLC, Dubai [71.67% share (previous year 71.67% share) in the capital of the company]	**10,750,000**	10,750,000
- Minal Medical Centre LLC, Sharjah[(a)] [75% share (previous year 75% share) in the capital of the company]	**--**	--
– M M C Skin Clinic LLC, Dubai[(a)] [71.67% share (previous year 71.67%) in the capital of the company]	**10,750,000**	10,750,000
– Iris Medical Centre LLC[(b)] [100% share (previous year 85% share) in the capital of the company]	**4,118,936**	4,118,936
	25,618,936	25,618,936
Less: Provision for impairment of investments[(c)]	**(20,818,936)**	(7,818,936)
	4,800,000	17,800,000

(a) The Company had transferred the assets and liabilities under Minal Medical Centre LLC, Sharjah (the "subsidiary") to an entity incorporated in Dubai under the name 'M M C Skin Care LLC' Dubai, which is also the subsidiary of the Company. Minal Medical Centre LLC, Sharjah is liquidated and its trade license was cancelled on 26 May 2022.

(b) During the current period, the Company has acquired additional 15% stake in the entity from Dr. Yaseer Ekram Moustafa Elassuity without any consideration.

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

	2023 AED	2022 AED
Opening balance	**7,818,936**	4,118,936
Provision for the year	**13,000,000**	3,700,000
Closing balance	**20,818,936**	7,818,936

	2023 AED	2022 AED
8. OTHER CURRENT ASSETS		
Advance for goods and services	**1,961**	1,961
Prepayments	**1,687**	5,980
VAT receivable (net)	**1,013**	2,576
	4,661	10,517

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 directors.

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

	Parent company AED	Subsidiaries AED	Companies under common ownership and/or common management control AED	Total 2023 AED	Total 2022 AED
Investments in subsidiaries	--	4,800,000	--	4,800,000	
	--	17,800,000	--		17,800,000
Due from a related party	--	--	--	--	
	--	499,032	--		499,032
Due to related parties	30,118	--	15,222,375	15,252,493	
	225,526	900,000	10,935,090		12,060,616

All balances are unsecured and are expected to be settled in cash except for the guarantee received. Repayment and other terms are set out in notes 7 and 18.

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

	Parent company AED	Subsidiaries AED	Companies under common ownership and/or common management control AED	Total 2023 AED	Total 2022 AED
Dividend income	--	343,527	--	343,527	
	--	1,147,500	--		1,147,500
Recharge of finance cost to a related party	--	--	133,617	133,617	
	--	--	189,832		189,832
Finance costs	--	--	--	--	
	351,349	--	--		351,349
Impairment on investments in subsidiaries	--	13,000,000	--	13,000,000	
	--	3,700,000	--		3,700,000
Corporate guarantee fees	140,300	--	--	140,300	
	146,900	--	--		146,900

Certain administrative and staff related services were availed from related parties free of cost.

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.

		2023 AED	2022 AED
10.	**CASH AND CASH EQUIVALENTS**		
	Bank balances in current accounts	28,356	195,651
11.	**SHARE CAPITAL**		
	Paid up:		
	12,924 shares of AED 1,000 each	12,924,000	12,924,000

The shareholder at 31 March 2023 and its interest as at that date in the share capital of the Company were as follows:

Name of shareholder	No. of shares	AED
Kaya Limited, incorporated in India	12,924	12,924,000

		2023 AED	2022 AED
12.	**SHORT-TERM BORROWINGS**		
	Current portion of long-term loan from Standard Chartered Bank	--	3,670,000

Bank loan was 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 loan was 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 was as follows:

	2023 AED	2022 AED
1 – 3 months		917,500
3 months – 1 year	--	2,752,500
Presented as current liabilities	--	3,670,000

		2023 AED	2022 AED
13.	**TRADE AND OTHER PAYABLES**		
	Trade payables	60,215	81,750
	Accruals	202,689	358,508
	Other payables	--	11,799
		262,904	452,057

The entire trade and other payables are due for payment within one year from the reporting date.

14. 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. Debt comprises total amounts owed by the Company, 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. As referred in note 2(c) to the financial statements, since the losses of the Company exceeded 85% of its share capital, the shareholder acknowledged the losses and resolved to continue with the operations of the Company and rectify the situation before 31 March 2024.

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

		2023 AED	2022 AED
15.	**OTHER INCOME**		
	Credit balances written back	--	171,779
16.	**ADMINISTRATIVE EXPENSES**		
	Depreciation of property plant and equipment	224,293	225,262
	Legal and professional fees	128,947	98,698
	Debit balances written off	--	1,747
	Rates and taxes	22,285	18,945
	Corporate guarantee fees	140,300	146,900
	Other expenses	56,902	69,758
		572,727	561,310

17. FINANCE COSTS

		2023 AED	2022 AED
Interest on long term loan from a related party	- (A)	--	351,349
On bank loans		133,617	189,832
Less: recharge of finance costs to a related party		(133,617)	(189,832)
	- (B)	--	--
	(A+B)	--	351,349

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	At amortised cost	
	2023 AED	2022 AED
Financial assets		
Due from a related party	--	499,032
Cash and cash equivalents	28,356	195,651
	28,356	694,683
Financial liabilities		
Short-term borrowings	--	3,670,000
Trade and other payables	262,904	452,057
Due to related parties	15,252,493	12,060,616
	15,515,397	16,182,673

Fair values measurement and disclosures

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, amount due 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.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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 risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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

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

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk
Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year	
	2023	2022
	AED	AED
Short-term borrowings	**--**	3,670,000
Trade and other payables	**262,904**	452,057
Due to related parties	**15,252,493**	12,060,616
	15,515,397	16,182,673

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Short term borrowing was subject to floating interest rates at levels generally obtained in the U.A.E. or was linked to LIBOR and was therefore exposed to cash flow interest rate risk.

At the reporting date, if interest expense on variable rate debt would have been AED Nil higher or lower (previous year AED 36,700) resulting in equity being higher or lower by AED Nil (previous year AED 36,700).

19. COMPARATIVE INFORMATION

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to those of the current period.

20. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **KAYA MIDDLE EAST DMCC**

RAJIV SURI	**PIYUSH LOYA**
DIRECTOR	**DIRECTOR**

IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.

FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2023

IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.

FINANCIAL STATEMENTS AND REPORTS
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IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The manager submits his report and financial statements for the year ended 31 March 2023. 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 48,314. The manager does not recommend any dividend for the year ended 31 December 2022.

Review of the business
The Company's principal activity during the year was to provide dermatology and venerology clinic services.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021. The Company was registered as a limited liability company and on 4 January 2023, the Company has changed its legal form to a sole proprietorship L.L.C under the UAE Federal Law No. (32) of 2021.

The losses of the Company exceeded 50% of its share capital. As required by Article 308 of the UAE Federal Law No. (32) of 2021 on Commercial Companies, the manager called a general meeting in which the owner resolved that the Company shall continue its operations.

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

Owner/shareholders and their interests
During the year, vide amendments to the memorandum of association, the entire shares held by Mr. Yaseer Ekram Moustafa Elassuity and Mr. Abdulla Khalil Mohamed Samea Al Motawa were transferred to Kaya Middle East DMCC. The owner/shareholders at 31 March 2023 and 31 March 2022 and their interests as at that date in the share capital of the Company were as follows:

	At 31 March 2023			At 31 March 2022		
	No. of shares	**AED**	**% Holding**	**No. of shares**	**AED**	**% Holding**
Abdulla Khalil Mohamed Samea Al Motawa	--	--	--	51	76,500	51%
Kaya Middle East DMCC	100	150,000	100%	34	51,000	34%
Yaseer Ekram Moustafa Elassuity	--	--	--	15	22,500	15%
	100	**150,000**	**100%**	**100**	**150,000**	**100%**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

Manager
18 May 2023

PKF
Accountants &
business advisers

PKF - Chartered Accountants (Dubai Br)
بيـه كي إف - تـشارترد اكاونـتـنـتـس (فـرع دبي)

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INDEPENDENT AUDITOR'S REPORT

To the Owner of IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.** (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with 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 Matter

Key audit matter is those matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was 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 this matter.

Key audit matter	How our audit addressed the key audit matters
Revenue	
The Company reported a revenue of AED 940,555 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);

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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)

Emphasis of matter
We draw attention to Note 2(c) to the financial statements, which states that the Company incurred loss during the year ended 31 March 2023 and at that date, the Company has accumulated losses, net current liabilities and net deficit in equity funds.

However, the parent company has agreed to continue with the operations of the Company and the parent and ultimate parent company have agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due for payment. Accordingly, these 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 UAE Federal Decree-Law No. (32) of 2021, 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 UAE Federal Decree-Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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PKF

Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

Report on Other Legal and Regulatory Requirements
As required by the UAE Federal Decree-Law No. (32) of 2021, 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 Decree-Law No. (32) of 2021;

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 2023.

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 2023; 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 2023 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 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 308 of the UAE Federal Law No. (32) of 2021, the manager of the Company called a general meeting in which the owner resolved to continue with the operations of the Company.

For **PKF**

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
18 May 2023

IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	2023 AED	2022 AED
Assets			
Non-current assets			
Property, plant and equipment	6	180,528	372,275
Intangible asset	7	26,547	19,317
		207,075	391,592
Current assets			
Inventories	8	26,707	40,512
Deposits	9	11,000	11,000
Other current assets	10	32,243	31,705
Cash and cash equivalents	12	20,213	43,785
		90,163	127,002
Total assets		297,238	518,594
EQUITY AND LIABILITIES			
Equity funds			
Share capital	13	150,000	150,000
Statutory reserve		75,000	75,000
Accumulated losses		(686,962)	(638,648)
Deficit in equity funds		(461,962)	(413,648)
Non-current liabilities			
Provision for staff end-of-service benefits	14	14,527	12,425
Lease liabilities	15	--	103,377
		14,527	115,802
Current liabilities			
Trade and other payables	16	68,343	50,630
Other current liabilities	17	43,037	15,700
Due to a related party	11	215,159	443,020
Contract liabilities	18	309,588	109,805
Lease liabilities	15	108,546	197,285
		744,673	816,440
Total liabilities		759,200	932,242
Total liabilities less deficit in equity funds		297,238	518,594

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 owner on 18 May 2023 and signed on their behalf by the manager, Mr. Piyush Loya.

For **IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.**

PIYUSH LOYA
MANAGER

IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 AED	2022 AED
Revenue	20	**940,555**	978,891
Purchase of inventories		**(155,599)**	(64,509)
Changes in inventories		**(9,115)**	(22,754)
Gross profit		**775,841**	891,628
Other income	21	**65**	139
Administrative and selling expenses	22	**(811,426)**	(750,568)
Finance costs	23	**(12,794)**	(23,330)
(LOSS)/PROFIT FOR THE YEAR		**(48,314)**	117,869
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(48,314)**	117,869

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.

IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital AED	Statutory reserve AED	Accumulated losses AED	Total AED
Balance at 1 April 2021	150,000	75,000	(756,517)	(531,517)
Total comprehensive income for the year	--	--	117,869	117,869
Balance at 31 March 2022	150,000	75,000	(638,648)	(413,648)
Total comprehensive income for the year	--	--	(48,314)	(48,314)
Balance at 31 March 2023	**150,000**	**75,000**	**(686,962)**	**(461,962)**

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.

IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 AED	2022 AED
Cash flows from operating activities		
(Loss)/profit for the year	(48,314)	117,869
Adjustments for:		
Depreciation of property, plant and equipment	205,187	213,419
Finance costs	12,794	23,330
Provision for slow-moving inventories	4,690	8,322
Credit balances written back	--	(139)
(Reversal of provision)/provision for staff end-of-service benefits	(65)	1,818
	174,292	364,619
Changes in:		
- Inventories	9,115	(22,754)
- Deposits	--	36,014
- Other current assets	(538)	1,945
- Trade and other payables	17,713	(11,438)
- Other current liability	27,337	(1,411)
- Contract liabilities	199,783	(139,237)
Staff end-of service benefits paid	(3,999)	(560)
Net cash from operating activities	423,703	227,178
Cash flows from investing activities		
Payments for property, plant and equipment	(3,100)	(9,980)
Payments for capital work-in-progress	(7,230)	(7,212)
Receipts from a related party (net)	--	302,104
Net cash (used in)/ from investing activities	(10,330)	284,912
Cash flows from financing activities		
Payments to a related party (net)	(221,695)	(384,603)
Payments of lease liabilities	(215,250)	(104,999)
Net cash used in financing activities	(436,945)	(489,602)
Net (decrease)/increase in cash and cash equivalents	(23,572)	22,488
Cash and cash equivalents at beginning of year	43,785	21,297
Cash and cash equivalents at end of year (note 12)	20,213	43,785

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.

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.** (the "Company") is a sole proprietorship L.L.C 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 UAE Federal Law No. (2) of 2015 and further repealed by UAE Federal Law No. (32) of 2021). The Company was registered as a limited liability company and on 4 January 2023, the Company has changed its legal form to a sole proprietorship L.L.C under the UAE Federal Law No. (32) of 2021. The registered office of the Company is Villa Sheikh Mohammed Bin Khalid Al Nahyan, Corniche, Abu Dhabi, U.A.E. The Company was incorporated on 15 May 2014 and operates vide commercial license number CN-1787886.

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

c) The Company is a wholly owned subsidiary of Kaya Middle East DMCC (the "parent company"), a limited liability company registered in Dubai, UAE. 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.

d) UAE Federal Law No. (32) of 2021 was issued on 20 September 2021 and came into effect on 2 January 2022 to entirely replace the UAE Federal Law No. (2) of 2015. Accordingly, the Company has complied with the UAE Federal Law No. (32) of 2021.

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) which are effective for accounting periods beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

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 48,314 for the year ended 31 March 2023 and at that date, the Company has losses aggregated to AED 686,962, its current liabilities exceeded its current assets by AED 654,510 and it had a net deficit of AED 461,962 in equity funds. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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

Further, the losses of the Company exceeded 50% of the share capital, as required by Article 308 of the UAE Federal Law No. (32) of 2021 on Commercial Companies, the manager of the Company called a General Meeting, in which the owner 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 for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Financial Reporting Standards
  - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

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 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 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.

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 benefits**

The Company provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based upon the employees' final salary and length of services which is accrued over the period of employment. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Company. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

f) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2021) of net profit until the reserve equals 50% of the share capital. The owner 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 as the statutory reserve has reached the mandatory threshold prescribed by the UAE Federal Law No. (32) of 2021.

g) **Revenue recognition**

The Company is in the business of providing dermatology and venerology clinics 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.
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.

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:

- 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 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.

k) **Cash and cash equivalents**
Cash and cash equivalents comprise cash and bank balance in current accounts.

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 files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

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; debt investment at fair value through other comprehensive income, equity investment at fair value through other comprehensive income; or fair value through profit or loss.

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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. All other financial assets are subsequently measured at fair value

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.

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 trade and other payables, due to a related party and lease liabilities.

Impairment of financial assets
The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losss: expected credit losss that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances and deposits 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 expected credit losses 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.

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 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.

The Company applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, 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.

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 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 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 41,245 (previous year AED 50,360) 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 Company computes the provision for the liability to staff end-of-service benefits stated at AED 14,527 (previous year AED 12,425), 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.

6. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use asset AED	Plant and machinery AED	Furniture, fixtures and office equipment AED	Total AED
Cost				
At 1 April 2021	592,604	1,191,876	791,597	2,576,077
Additions	--	--	9,980	9,980
Modifications to lease[(a)]	(6,214)	--	--	(6,214)
Transfer	--	899	(899)	--
At 31 March 2022	586,390	1,192,775	800,678	2,579,843
Additions	--	--	3,100	3,100
Modifications to lease[(b)]	10,340	--	--	10,340
At 31 March 2023	**596,730**	**1,192,775**	**803,778**	**2,593,283**
Accumulated depreciation and impairment losses				
At 1 April 2021	48,707	1,180,660	764,782	1,994,149
Depreciation	196,769	4,891	11,759	213,419
At 31 March 2022	245,476	1,185,551	776,541	2,207,568
Depreciation	196,977	3,157	5,053	205,187
At 31 March 2023	**442,453**	**1,188,708**	**781,594**	**2,412,755**
Carrying amount				
At 1 April 2021	543,897	11,216	26,815	581,928
At 31 March 2022	340,914	7,224	24,137	372,275
At 31 March 2023	**154,277**	**4,067**	**22,184**	**180,528**

(a) The Company had considered the revised lease payment terms for its lease from 1 January 2022 and the carrying amount of its right of use asset and lease liabilities were remeasured and accounted as modification of lease as on 1 January 2022.

(b) The Company had considered the revised lease payment terms for its lease from 1 January 2023 and the carrying amount of its right of use asset and lease liabilities were remeasured and accounted as modification of lease as on 1 January 2023.

7. INTANGIBLE ASSET

	Capital work-in-progress[(a)] AED
Cost	
At 1 April 2021	12,105
Additions	7,212
At 31 March 2022	19,317
Additions	7,230
At 31 March 2023	**26,547**
Carrying amount	
At 1 April 2021	12,105
At 31 March 2022	19,317
At 31 March 2023	**26,547**

(a) Capital Work-in-progress represent cost incurred towards installation of new software.

	2023 AED	2022 AED
8. INVENTORIES		
Skin and hair care products and consumables	**41,245**	50,360
Less: Provision for slow-moving inventories	**(14,538)**	(9,848)
	26,707	40,512

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

Opening balance	**9,848**	1,526
Provisions made during the year	**4,690**	8,322
Closing balance	**14,538**	9,848

9. DEPOSITS		
Deposits	**11,000**	11,000

10. OTHER CURRENT ASSETS		
Advance for services	**3,653**	--
Prepaid expenses	**28,590**	31,705
	32,243	31,705

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 owner, parent company, fellow subsidiaries and key management personnel.

At the reporting date significant balance with fellow subsidiaries was as follows:

	2023 AED	2022 AED
Due to a related party	**215,159**	443,020

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 24.

Significant transactions with related parties, representing fellow subsidiaries, during the year were as follows:

Purchases	**131,870**	85,958
Recharge of staff costs	**106,200**	124,542
Additions to capital work-in-progress (note 7)	**7,230**	7,212

The Company also receives funds from a related party as working capital facilities, free of interest.

Certain administrative and staff related services were availed from a related party free of cost.

		2023 AED	2022 AED
12.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	57	1,047
	Bank balances in current accounts	20,156	42,738
		20,213	43,785
13.	**SHARE CAPITAL**		
	Paid up:		
	100 shares of AED 1,500 each	150,000	150,000
14.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	12,425	11,167
	(Reversal of provision)/ provision made during the year	(65)	1,818
	Transfer from a related party	6,166	--
	Paid during the year	(3,999)	(560)
	Closing balance	14,527	12,425
15.	**LEASE LIABILITIES**		
	Lease liabilities for long term lease of clinic premise	108,546	300,662

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

	2023 AED	2022 AED
Opening balance	300,662	388,545
Modification on lease	10,340	(6,214)
Finance costs for the year	12,794	23,330
Payments made during the year	(215,250)	(104,999)
Closing balance	108,546	300,662

Disclosed in the statement of financial position as follows:

	2023 AED	2022 AED
Non-current liability	--	103,377
Current liability	108,546	197,285
	108,546	300,662

A maturity analysis of undiscounted lease liabilities is as follows:

	2023 AED	2022 AED
3 months – 1 year	110,250	210,000
Presented as current liability	110,250	210,000
1 – 2 years	--	105,000
Total	110,250	315,000

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

	2023 AED	2022 AED
Lease payments due	**110,250**	315,000
Less: Finance cost on leases	**(1,704)**	(14,338)
Disclosed in the statement of financial position	**108,546**	300,662

16. **TRADE AND OTHER PAYABLES**

	2023 AED	2022 AED
Trade payables	**8,361**	17,708
Accruals	**47,790**	27,482
Other payables	**12,192**	5,440
	68,343	50,630

The entire trade and other payables are due for payment within one year from the reporting date.

17. **OTHER CURRENT LIABILITIES**

	2023 AED	2022 AED
VAT payable (net)	**10,022**	5,841
Staff accruals	**33,015**	9,859
	43,037	15,700

18. **CONTRACT LIABILITIES**

	2023 AED	2022 AED
Contract liabilities relating advance received to fulfil a contract	**309,588**	109,805
Disclosed as:		
Current contract liabilities	**309,588**	109,805

19. **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 owner with a rate of return on its investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises owner funds as presented in the statement of financial position. Debt comprises total amounts owed by the Company, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 308 of the UAE Federal Law No. (32) of 2021. As referred in note 2(c) to the financial statements, since the losses of the Company exceeded 50% of its share capital, the manager referred the matter in the general meeting in which the owner resolved to continue with the operations of the Company.

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

20. REVENUE

The Company generates revenue from sale of goods and rendering services at a point in time and over 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 Company's revenue and cash flows.

	2023 AED	2022 AED
Primary Geographical segments		
- U.A.E.	940,555	978,891
-		
Major goods/service lines		
- Products	110,911	71,964
- Services	829,644	906,927
	940,555	978,891
Timing of revenue recognition		
- At a point in time	110,911	71,964
- Over time	829,644	906,927
	940,555	978,891

21. OTHER INCOME

	2023 AED	2022 AED
Reversal of provision for staff end-of-service benefits	65	--
Credit balances written back	--	139
	65	139

22. ADMINISTRATIVE AND SELLING EXPENSES

	2023 AED	2022 AED
Staff salaries and benefits	201,151	127,060
Staff end-of-service benefits	--	1,818
Recharge of staff costs by a related party	106,200	124,542
Depreciation of property, plant and equipment	205,187	213,419
Provision for slow-moving inventories	4,690	8,322
Repairs and maintenance	81,125	80,617
Legal and professional fees	66,125	76,470
Rates and taxes	26,445	26,148
Other expenses	120,503	92,172
	811,426	750,568

23. FINANCE COSTS

	2023 AED	2022 AED
On lease liabilities	12,794	23,330

24. FINANCIAL INSTRUMENTS

Financial instruments

Classification and fair values

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

	At amortised cost	
	2023	2022
	AED	AED
Financial assets		
Deposits	**11,000**	11,000
Cash and cash equivalents	**20,213**	43,785
	31,213	54,785
Financial liabilities		
Trade and other payables	**68,343**	50,630
Due to a related party	**215,159**	443,020
Lease liabilities (current and non-current)	**108,546**	300,662
	392,048	794,312

Fair value measurement and disclosures

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, trade and other payables, short term 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 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.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.

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.

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

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk
Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to two years		Total	
	2023	2022	2023	2022	2023	2022
	AED	AED	AED	AED	AED	AED
Trade and other payables	68,343	50,630	--	--	68,343	50,630
Due to a related party	215,159	443,020	--	--	215,159	443,020
Lease liabilities (current and non-current)	110,250	210,000	--	105,000	110,250	315,000

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

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.

25. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **IRIS MEDICAL CENTER - SOLE PROPRIETORSHIP L.L.C.**

PIYUSH LOYA
MANAGER

MINAL MEDICAL CENTRE L.L.C.

FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2023

MINAL MEDICAL CENTRE L.L.C.

FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2023

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MINAL MEDICAL CENTRE L.L.C.

MANAGERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The managers submit their report and financial statements for the year ended 31 March 2023. We approve the financial statements and confirm that we are responsible for these, 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.

Results and dividends

The profit for the year amounted to AED 621,477. The managers do not recommend any dividend for the year ended 31 December 2022.

Review of the business

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

Legal and regulatory requirements

The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021.

Events since the end of the year

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

Shareholders and their interests

During the year, vide amendments to the memorandum of association dated 21 March 2023, the entire shares held by Mr. Adeeb Salem Abdulla Salem has been transferred to Kaya Middle East DMCC and Ms. Minal Patwardhan Andrade. Accordingly, the shareholders at 31 March 2023 and 31 March 2022 and their interests as at that date in the share capital of the Company were as follows:

	At 31 March 2023			At 31 March 2022		
	No. of shares	**AED**	**% Holding**	**No. of shares**	**AED**	**% Holding**
Mr. Adeeb Salem Abdulla Salem	--	--	--	3	3,000	1%
Ms. Minal Patwardhan Andrade	85	85,000	28.33%	84	84,000	28%
Kaya Middle East DMCC	215	215,000	71.67%	213	213,000	71%
	300	**350,000**	**100%**	**300**	**300,000**	**100%**

Independent auditor

PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

Manager
24 April 2023

Manager

PKF

Accountants &
business advisers

PKF - Chartered Accountants (Dubai Br)
بـيـه كـي إف - تـشارترد اكاونـتـنـتـس (فـرع دبـي)

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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 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with 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 Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was 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 this matter.

Key audit matter	**How our audit addressed the key audit matters**
Revenue	
The Company reported a revenue of AED 6,119,031 from clinical and dermatological services.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures, but were not limited to, the following:

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matter	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 deterpmine 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)

Other Information
Management is responsible for the other information. Other information comprises the Managers' report as required by the UAE Federal Decree-Law No. (32) of 2021, 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 UAE Federal Decree-Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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:

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INDEPENDENT AUDITOR'S REPORT
(continued)

- 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
Further, as required by the UAE Federal Decree-Law No. (32) of 2021, 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 Decree-Law No. (32) of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Managers' 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 2023;

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INDEPENDENT AUDITOR'S REPORT
(continued)

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 2023; 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 2023 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 and there are no penalties imposed on the Company.

For **PKF**

Lalwani

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
1 May 2023

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	**440,530**	808,957
Intangible asset	7	**26,547**	19,317
		467,077	828,274
Current assets			
Inventories	8	**161,739**	130,543
Deposits and other receivables	9	**184,550**	223,959
Other current assets	10	**109,172**	75,768
Due from related parties	11	**658,153**	458,071
Cash and cash equivalents	12	**889,503**	436,622
		2,003,117	1,324,963
Total assets		**2,470,194**	2,153,237
EQUITY AND LIABILITIES			
Equity funds			
Share capital	13	**300,000**	300,000
Statutory reserve		**150,000**	150,000
Retained earnings		**818,147**	196,670
Total equity funds		**1,268,147**	646,670
Non-current liabilities			
Provision for staff end-of-service benefits	14	**163,732**	173,486
Lease liabilities	15	**--**	147,307
		163,732	320,793
Current liabilities			
Trade and other payables	16	**368,710**	437,303
Other current liabilities	17	**304,922**	234,387
Contract liabilities	18	**217,376**	225,702
Due to a related party	11	**--**	7,212
Lease liabilities	15	**147,307**	281,170
		1,038,315	1,185,774
Total liabilities		**1,202,047**	1,506,567
Total equity and liabilities		**2,470,194**	2,153,237

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 24 April 2023 and signed on their behalf by the managers, Mr. Rajiv Suri and Mr. Piyush Loya.

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

RAJIV SURI
MANAGER

PIYUSH LOYA
MANAGER

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 AED	2022 AED
Revenue	21	**6,119,031**	6,918,242
Purchases of inventory		**(1,360,968)**	(1,507,974)
Change in inventories		**46,987**	3,379
Gross profit		**4,805,050**	5,413,647
Other income	22	**79,905**	121,052
Administrative and selling expenses	23	**(4,244,648)**	(3,868,026)
Finance costs	24	**(18,830)**	(35,864)
PROFIT FOR THE YEAR		**621,477**	1,630,809
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**621,477**	1,630,809

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 2023

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 2021	300,000	150,000	95,861	545,861
Total comprehensive income for the year	--	--	1,630,809	1,630,809
Dividends paid during the year	--	--	(1,530,000)	(1,530,000)
Balance at 31 March 2022	300,000	150,000	196,670	646,670
Total comprehensive income for the year	--	--	621,477	621,477
Balance at 31 March 2023	**300,000**	**150,000**	**818,147**	**1,268,147**

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 CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 AED	2022 AED
Cash flows from operating activities		
Profit for the year	**621,477**	1,630,809
Adjustments for:		
Depreciation of property, plant and equipment	**412,925**	448,704
Provision for slow-moving inventories	**15,791**	7,790
Profit on sale of property, plant and equipment	**--**	(14,000)
Credit balance written back	**(79,905)**	(65,478)
Finance costs	**18,830**	35,864
Provision for staff end-of-service benefits	**42,852**	47,353
	1,031,970	2,091,042
Changes in:		
- Inventories	**(46,987)**	(3,379)
- Other receivables	**39,409**	8,741
- Other current assets	**(33,404)**	(23,218)
- Trade and other payables	**11,312**	(293,254)
- Other current liabilities	**70,535**	(47,277)
- Contract liabilities	**(8,326)**	(63,193)
Staff end-of-service benefits paid	**(52,606)**	(33,599)
Net cash from operating activities	**1,011,903**	1,635,863
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	**--**	14,000
Payments for purchase of property, plant and equipment	**(44,498)**	(54,900)
Payments for intangible assets	**(7,230)**	(7,212)
Payments to related parties (net)	**(200,082)**	(458,071)
Net cash used in investing activities	**(251,810)**	(506,183)
Cash flows from financing activities		
Dividends paid	**--**	(1,530,000)
Payments of lease liabilities	**(300,000)**	(299,999)
Payments to a related party (net)	**(7,212)**	(491,511)
Net cash used in financing activities	**(307,212)**	(2,321,510)
Net increase/(decrease) in cash and cash equivalents	**452,881**	(1,191,830)
Cash and cash equivalents at beginning of year	**436,622**	1,628,452
Cash and cash equivalents at end of year (note 12)	**889,503**	436,622

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.

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 Article 218 of the U.A.E. Commercial Companies Law No. 8 of 1984 as amended (repealed by UAE Federal Law No. (2) of 2015 and further repealed by UAE Federal Law No. (32) of 2021). The registered office of the Company is clinic no. 262-2/V25, Jumeirah, PO Box: 213563, Dubai, U.A.E. The Company was registered on 11 August 2010.

b) These financial statements include the assets, liabilities and the operating results of the Company under commercial license number 643459 issued on 11 August 2010. The Company was initially registered as a civil company on 11 August 2010 and 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.

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

d) The Company is a subsidiary of Kaya Middle East DMCC (the "parent company"), a limited liability company registered in Dubai, UAE. 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.

e) UAE Federal Law No. (32) of 2021 was issued on 20 September 2021 and came into effect on 2 January 2022 to entirely replace the UAE Federal Law No. (2) of 2015. Accordingly, the Company has complied with the UAE Federal Law No. (32) of 2021.

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) which are effective for accounting periods beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

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.

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 for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Financial Reporting Standards
  - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

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:

Right-of-use asset	3 years
Plant and machinery	7 years
Furniture, fixtures and office equipment	3 - 7 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.

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**

The Company provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based upon the employees' final salary and length of services which is accrued over the period of employment. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Company. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

f) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2021) of net profit until the reserve equals 50% of the share capital. 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 as the statutory reserve has reached the mandatory threshold prescribed by the UAE Federal Law No. (32) of 2021.

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.
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.

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 represents salary costs of certain common staff whose services were availed by the Companies as per the terms agreed with a related party.

j) **Leases**

The Company leases its clinic premises. Rental contracts are typically made for fixed periods of 1 to 3 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;
- 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;
- 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.

k) **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances in current accounts.

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 files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

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; debt investment at fair value through other comprehensive income, equity investment at fair value through other comprehensive income; or fair value through profit or loss.

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss 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. All other financial assets are subsequently measured at fair value.

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.

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 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, due to a related party and lease liabilities.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losss: expected credit losss that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, due from related parties, deposits and other receivables 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 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 expected credit losses 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 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.

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.

The Company applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, 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.

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 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 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 197,057 (previous year AED 150,070) 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).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 163,732 (previous year AED 173,486), 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.

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 2021	827,148	2,108,275	339,930	88,400	3,363,753
Additions	--	24,260	30,640		54,900
Disposal	--	--	--	(88,400)	(88,400)
At 31 March 2022	827,148	2,132,535	370,570	--	3,330,253
Additions	--	40,800	3,698	--	44,498
At 31 March 2023	**827,148**	**2,173,335**	**374,268**	--	3,374,751
Accumulated depreciation					
At 1 April 2021	92,157	1,727,840	252,940	88,055	2,160,992
Depreciation	275,716	127,712	44,931	345	448,704
Adjustments on assets disposal	--	--	--	(88,400)	(88,400)
At 31 March 2022	367,873	1,855,552	297,871	--	2,521,296
Depreciation	275,716	108,851	28,358	--	412,925
At 31 March 2023	**643,589**	**1,964,403**	**326,229**	--	**2,934,221**
Carrying amount					
At 1 April 2021	734,991	380,435	86,990	345	1,202,761
At 31 March 2022	459,275	276,983	72,699	--	808,957
At 31 March 2023	**183,559**	**208,932**	**48,039**	--	**440,530**

(a) Right-of-use assets represents right of use of clinic premises. The lease is for a period of 3 years.

7. INTANGIBLE ASSET

	Capital work in progress[a]
	AED
Cost	
At 1 April 2021	12,105
Additions	7,212
At 31 March 2022	19,317
Additions	7,230
At 31 March 2023	**26,547**
Carrying amount	
At 1 April 2021	12,105
At 31 March 2022	19,317
At 31 March 2023	**26,547**

(a) Capital Work-in-progress represent cost incurred towards installation of new software.

		2023 AED	2022 AED
8.	**INVENTORIES**		
	Skin and hair care products and consumables	**197,057**	150,070
	Less: Provision for slow-moving inventories	**(35,318)**	(19,527)
		161,739	130,543

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

	2023 AED	2022 AED
Opening balance	**19,527**	11,737
Provisions made during the year	**15,791**	7,790
Closing balance	**35,318**	19,527

		2023 AED	2022 AED
9.	**DEPOSITS AND OTHER RECEIVABLES**		
	Credit card receivables	**7,405**	40,814
	Staff advances	**--**	6,000
	Deposits	**177,145**	177,145
		184,550	223,959
10.	**OTHER CURRENT ASSETS**		
	Prepayments	**94,717**	47,325
	Advance for goods and services	**14,455**	28,443
		109,172	75,768

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, parent company, fellow subsidiaries and key management personnel.

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

	Shareholder AED	Parent company AED	Fellow subsidiaries AED	Total 2023 AED	Total 2022 AED
Due from related parties	--	--	658,153	**658,153**	
	--	400,000	58,071		458,071
Due to a related party	--	--	--	**--**	
	--	--	7,212		7,212
Staff advances	--	--	--	**--**	
	6,000	--	--		6,000

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 25.

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

	Shareholders	Fellow subsidiaries	Company under common ownership and/or common management control	Total 2023	Total 2022
	AED	AED	AED	AED	AED
Revenue	--	166,999	--	166,999	
	--	228,301	--		228,301
Purchases	--	150,178	--	150,178	
	--	123,191	--		123,191
Staff salaries and benefits (note 23)	360,000	--	--	360,000	
	360,000	--	--		360,000
Staff costs recharged by related parties (note 23)	--	414,150	68,500	482,650	
	--	678,790	--		678,790
Other expenses recharged by a related party (note 23)	--	--	--	--	
	--	--	5,000		5,000
Provision for staff end-of-service benefits transferred from a related party (note 14)	--	--	--	--	
	--	3,685	--		3,685
Additions to capital work-in-progress (note 7)	--	--	7,230	7,230	
	--	--	7,212		7,212
Dividends paid	--	--	--	--	
	1,530,000	--	--		1,530,000

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

Certain administrative and staff related services were availed from a related party free of cost.

	2023	2022
	AED	AED
12. CASH AND CASH EQUIVALENTS		
Cash on hand	1,812	2,677
Bank balances in current accounts	887,691	433,945
	889,503	436,622

	2023	2022
13. SHARE CAPITAL		
Paid up:		
300 shares of AED 1,000 each	300,000	300,000

		2023	2022
		AED	AED
14.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	At 1 April	173,486	156,047
	Provision for the year	42,852	47,353
	Transfer from a related party	--	3,685
	Paid during the year	(52,606)	(33,599)
	At 31 March	163,732	173,486
15.	**LEASE LIABILITIES**		
	Lease liabilities for long term lease of clinic premise	147,307	428,477
	Disclosed in the statement of financial position as follows:		
	Non-current liabilities	--	147,307
	Current liabilities	147,307	281,170
		147,307	428,477
	A reconciliation of the movements in the lease liabilities is as follows:		
	At 1 April	428,477	692,612
	Finance costs for the year	18,830	35,864
	Payments made during the year	(300,000)	(299,999)
	At 31 March	147,307	428,477
	A maturity analysis of undiscounted lease liabilities is as follows:		
	0 - 3 months	75,000	75,000
	3 - 6 months	75,000	75,000
	6 months – 1 year	--	150,000
	Presented as current liabilities	150,000	300,000
	1 – 2 years	--	150,000
		150,000	450,000

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

	2023	2022
Lease payments due	150,000	450,000
Less: Finance cost on leases	(2,693)	(21,523)
Disclosed in the statement of financial position	147,307	428,477

		2023	2022
16.	**TRADE AND OTHER PAYABLES**		
	Trade payables	289,382	259,666
	Accruals	54,125	129,462
	Other payables	25,203	48,175
		368,710	437,303

The entire trade and other payables are due for payment within one year from the reporting date.

		2023	2022
		AED	AED
17.	**OTHER CURRENT LIABILTIES**		
	VAT payable (net)	54,213	51,158
	Other liabilities	250,709	183,229
		304,922	234,387
18.	**CONTRACT LIABILITIES**		
	Contract liabilities relating advance received to fulfil a contract	217,376	225,702
	Disclosed as:		
	Current contract liabilities	217,376	225,702

19. **DIVIDENDS**

Dividends declared and approved by the shareholders during the year of AED Nil (previous year AED 1,530,000) represent a dividend per share of AED Nil (previous year AED 5,100).

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. Debt comprises total amounts owed by the Company, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 308 of the UAE Federal Decree-Law No. (32) of 2021. 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 net of 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 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 Company's revenue and cash flows.

	2023 AED	2022 AED
Primary Geographical segments		
- U.A.E.	**6,119,031**	6,918,242
Major goods/service lines		
- Products	**722,324**	942,265
- Services	**5,396,707**	5,975,977
	6,119,031	6,918,242
Timing of revenue recognition		
- At a point in time	**722,324**	942,265
- Over time	**5,396,707**	5,975,977
	6,119,031	6,918,242

22. **OTHER INCOME**

Credit balances written back	**79,905**	65,478
Profit on sale of property, plant and equipment	--	14,000
Miscellaneous income	--	41,574
	79,905	121,052

23. **ADMINISTRATIVE AND SELLING EXPENSES**

Staff salaries and benefits[(a)]	**2,488,899**	1,922,728
Staff end-of-service benefits	**42,852**	47,353
Recharge of staff costs by a related party	**482,650**	678,790
Depreciation (note 6)	**412,925**	448,704
Professional fees	**165,624**	180,329
Advertisement expenses	**49,923**	14,412
Bank charges	**124,179**	127,444
Repairs and maintenance	**172,717**	173,617
Provision for slow-moving inventories	**15,791**	7,790
Other expenses	**289,088**	261,859
Recharge of other expenses by a related party	--	5,000
	4,244,648	3,868,026

(a) Includes staff salaries and benefits paid to shareholder, Ms. Minal Patwardhan Andrade of AED 360,000 (previous year AED 360,000).

24. **FINANCE COSTS**

On lease liabilities	**18,830**	35,864

25. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments

Classification and fair values

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

	At amortised cost	
	2023	2022
	AED	AED
Financial assets		
Deposits and other receivables	184,550	223,959
Due from related parties	658,153	458,071
Cash and cash equivalents	889,503	436,622
	1,732,206	1,118,652
Financial liabilities		
Trade and other payables	368,710	437,303
Lease liabilities	147,307	428,477
Due to a related party	--	7,212
	516,017	872,992

Fair value measurement and disclosures

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 related parties, 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.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.

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

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

The management assesses the credit risk arising from deposits and 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.

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk.

At the reporting date 100% of amounts due from related parties are due from one related party (previous year 100% from two related parties).

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to two years		Total	
	2023	2022	**2023**	2022	**2023**	2022
	AED	AED	**AED**	AED	**AED**	AED
Trade and other payables	**368,710**	259,666	--	--	**368,710**	259,666
Due to a related party	--	7,212	--	--	--	7,212
Lease liabilities (current and non-current)	**150,000**	300,000	--	150,000	**150,000**	450,000

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

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.

26. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

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

RAJIV SURI	**PIYUSH LOYA**
MANAGER	**MANAGER**

M M C SKIN CLINIC L.L.C.

FINANCIAL STATEMENTS AND REPORTS

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MANAGERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The managers submit their report and financial statements for the year ended 31 March 2023. We approve the financial statements and confirm that we are responsible for these, 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.

Results and dividends
The loss for the year amounted to AED 361,455. The managers do not recommend any dividend for the year ended 31 December 2022.

Review of the business
The Company's principal activity is providing dermatological services.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021.

The losses of the Company exceeded 50% of its share capital. As required by Article 308 of the UAE Federal Law No. (32) of 2021 on Commercial Companies, the Managers 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
During the year, vide amendments to the memorandum of association dated 21 March 2023, the entire shares held by Mr. Adeeb Salem Abdulla Salem has been transferred to Kaya Middle East DMCC and Ms. Minal Patwardhan Andrade. Accordingly, the shareholders at 31 March 2023 and 31 March 2022 and their interests as at that date in the share capital of the Company were as follows:

	At 31 March 2023			At 31 March 2022		
	No. of shares	AED	% holding	No. of shares	AED	% holding
Mr. Adeeb Salem Abdulla Salem	--	--	--	3	3,000	1%
Ms. Minal Patwardhan Andrade	85	85,000	28.33%	84	84,000	28%
Kaya Middle East DMCC	215	215,000	71.67%	213	213,000	71%
	300	**350,000**	**100%**	**300**	**300,000**	**100%**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

Manager
18 May 2023

Manager

PKF

Accountants &
business advisers

PKF - Chartered Accountants (Dubai Br)
بيـه كـي إف - تـشارترد اكاونـتـنـتـس (فـرع دبـي)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of M M C SKIN CLINIC L.L.C.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **M M C SKIN CLINIC L.L.C.** (the "Company") which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with 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 Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was 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 this matter.

Key audit matter	**How our audit addressed the key audit matter**
Revenue	
The Company reported a revenue of AED 2,564,549 from dermatology services.	Our audit procedures included a combination of controls testing, data analysis and other substantive procedures included, but were not limited to, the following:

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matter
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 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 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 year; • 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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PKF

Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

Emphasis of matter
We draw attention to Note 2(c) to the financial statements, which states that the Company incurred loss during the year ended 31 March 2023 and at that date, the Company had accumulated losses, net current liabilities and net deficit in equity funds.

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

Our opinion is not modified with respect to this matter.

Other Information
Management is responsible for the other information. Other information comprises the Managers' report as required the UAE Federal Decree-Law No. (32) of 2021, 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 for their compliance with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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...

INDEPENDENT AUDITOR'S REPORT
(continued)

Report on Other Legal and Regulatory Requirements
As required by the UAE Federal Decree-Law No. (32) of 2021, 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 Decree-Law No. (32) of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Managers' 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 2023;

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 2023; 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 2023 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 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 308 of the UAE Federal Law No. (32) of 2021, the Managers of the Company called a General Meeting in which the shareholders resolved to continue with the operations of the Company.

For **PKF**

Lalwani

Saranga Lalwani
Partner
Registration no. 5468
Dubai
United Arab Emirates
18 May 2023

M M C SKIN CLINIC L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31.3.2023 AED	31.3.2022 (Note 26) AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	**1,445,790**	1,580,368
Intangible asset	7	**26,547**	19,317
		1,472,337	1,599,685
Current assets			
Inventories	8	**84,196**	122,619
Deposits and other receivables	9	**82,924**	24,551
Other current assets	10	**116,143**	85,030
Due from a related party	11	**--**	235,000
Cash and cash equivalents	12	**134,473**	53,488
		417,736	520,688
Total assets		**1,890,073**	2,120,373
EQUITY AND LIABILITIES			
Equity funds			
Share capital	13	**300,000**	300,000
Accumulated losses		**(508,866)**	(147,411)
(Deficit)/surplus in equity funds		**(208,866)**	152,589
Non-current liabilities			
Provision for staff end-of-service benefits	14	**288,954**	243,410
Lease liabilities	15	**584,525**	700,835
		873,479	944,245
Current liabilities			
Trade and other payables	16	**209,602**	378,632
Other current liabilities	17	**172,544**	85,154
Due to related parties	11	**658,153**	339,315
Contract liabilities	18	**68,851**	111,080
Lease liabilities	15	**116,310**	109,358
		1,225,460	1,023,539
Total liabilities		**2,098,939**	1,967,784
Total liabilities less deficit in equity funds		**1,890,073**	2,120,373

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

Approved and authorised for issue by the shareholders on 18 May 2023 and signed on their behalf by the managers Mr. Rajiv Suri and Mr. Piyush Loya.

For **M M C SKIN CLINIC L.L.C.**

RAJIV SURI
MANAGER

PIYUSH LOYA
MANAGER

M M C SKIN CLINIC L.L.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	1.4.2023 to 31.3.2023 AED	26.8.2021 to 31.3.2022 (Note 26) AED
Revenue	20	**2,564,549**	1,800,238
Purchases of inventory		**(530,058)**	(535,279)
Changes in inventories		**(41,356)**	135,463
Gross profit		**1,993,135**	1,400,422
Other income	21	**4,064**	--
Administrative and selling expenses	22	**(2,311,012)**	(1,516,279)
Finance costs	24	**(47,642)**	(31,554)
LOSS FOR THE YEAR/PERIOD		**(361,455)**	(147,411)
Other comprehensive income:			
Other comprehensive income for the year/period		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		**(361,455)**	(147,411)

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

M M C SKIN CLINIC L.L.C.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Accumulated losses	Total (Note 26)
	AED	AED	AED
Issue of share capital	300,000	--	300,000
Total comprehensive income for the period	--	(147,411)	(147,411)
Balance at 31 March 2022	300,000	(147,411)	152,589
Total comprehensive income for the year	--	(361,455)	(361,455)
Balance at 31 March 2023	**300,000**	**(508,866)**	**(208,866)**

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.

M M C SKIN CLINIC L.L.C.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	1.4.2023 to 31.3.2023 AED	26.8.2021 to 31.3.2022 (Note 26) AED
Cash flows from operating activities		
Loss for the year/period	(361,455)	(147,411)
Adjustments for:		
Depreciation of property, plant and equipment	316,518	185,765
Provision for staff end-of-service benefits	45,544	20,035
(Reversal of provision)/provision for slow-moving inventories	(2,933)	4,179
Finance costs	47,642	31,554
	45,316	94,122
Changes in:		
- Inventories	41,356	(26,520)
- Deposits and other receivables	(58,373)	(24,551)
- Other current assets	(31,113)	(34,302)
- Trade and other payables	(169,030)	213,319
- Contract liabilities	(42,229)	111,080
- Other current liabilities	87,390	(112,811)
Staff end-of-service benefits paid	--	(84,255)
Net cash (used in)/from operating activities	(126,683)	136,082
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(181,940)	(762,313)
Payments for capital work-in-progress	(7,230)	(7,212)
Receipts from/(payments to) a related party (net)	235,000	(235,000)
Net cash from/(used in) investing activities	45,830	(1,004,525)
Cash flows from financing activities		
Issue of share capital	--	300,000
Receipts from related parties (net)	318,838	729,549
Payments of lease liabilities	(157,000)	(107,618)
Net cash from financing activities	161,838	921,931
Net increase in cash and cash equivalents	80,985	53,488
Cash and cash equivalents at the beginning of the year/period	53,488	--
Cash and cash equivalents at the end of the year/period (note 12)	134,473	53,488

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

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **M M C SKIN CLINIC L.L.C.** (the "Company") is a limited liability company registered in Dubai, United Arab Emirates, in accordance with the provisions of Article 218 of the U.A.E. Commercial Companies Law No. 8 of 1984 as amended (repealed by UAE Federal Law No. (2) of 2015 and further repealed by UAE Federal Law No. (32) of 2021). The registered office of the Company is office number 204-205, Platinum Business Centre, Al Nahda, Dubai, United Arab Emirates. The Company was registered on 26 August 2021 and operates vide commercial license number 977424.

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

c) The Company is a subsidiary of Kaya Middle East DMCC (the "parent company"), a limited liability company registered in Dubai, UAE. 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.

d) UAE Federal Law No. (32) of 2021 was issued on 20 September 2021 and came into effect on 2 January 2022 to entirely replace the UAE Federal Law No. (2) of 2015. Accordingly, the Company has complied with the UAE Federal Law No. (32) of 2021.

e) As at 26 August 2021, the Company had acquired its assets and liabilities from M/s. Minal Medical Center L.L.C, Sharjah which is also a subsidiary of M/s. Kaya Middle East DMCC, the parent company. The following assets and liabilities were acquired effective from 26 August 2021 at their carrying values as at that date which are as follows.

Particulars		**Amount AED**
Property, plant and equipment (at net book value)		117,563
Intangible assets		12,105
Inventories		100,278
Due from a related party		210,500
Other current assets		50,728
Total assets acquired	**A**	**491,174**
Provision for staff end-of-service benefits		307,630
Trade and other payables		165,313
Other current liability		197,965
Total liabilities acquired	**B**	**670,908**
Net liabilities taken over - Due from M/s. Minal Medical Center L.L.C., Sharjah	**C=A-B**	**(179,734)**

2. **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

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) which are effective for accounting periods beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

b) **Basis of measurement**

The financial statements is 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 is 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 361,455 for the year ended 31 March 2023 and at that date, the Company had accumulated losses of AED 508,866, its current liabilities exceeded its current assets by AED 807,724 and it had a net deficit of AED 208,866 in equity funds. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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

Further, since, the losses of the Company exceeded 50% of the share capital, as required by Article 308 of the UAE Federal Law No. (32) of 2021 on Commercial Companies, the managers 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 for current period, did not have any significant impact on the Company's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
    - IFRS 9 Financial Instruments
    - IFRS 16 Leases
    - IFRS 1 First-time Adoption of International Financial Reporting Standards
    - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendments and improvements 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 IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)

e) **Functional and presentation currency**

The financial statements is presented in UAE 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:

Right-of-use asset	7 years
Plant and machinery	7 years
Furniture, fixtures and office equipment	3 - 7 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.

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 periods. 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**

The Company provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based upon the employees' final salary and length of services which is accrued over the period of employment. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Company. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

f) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2021) of net profit until the reserve equals 50% of the share capital. 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 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.
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.

Significant financing component

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:

- 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) **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 contracts are typically made for 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 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;
- 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;
- 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 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 and bank balances in current accounts.

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 files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

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; debt investment at fair value through other comprehensive income, equity investment at fair value through other comprehensive income; or fair value through profit or loss.

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 fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment 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 fair value through profit or loss 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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss 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 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, lease liabilities and due to related parties.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:
- 12-month expected credit losss: expected credit losss that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses 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 expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, due from a related party and deposits and other receivables 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 expected credit losses, 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/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 expected credit losses 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 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 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.

The Company applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, 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.

The Company has the option, to lease the asset for additional periods. 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

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 period, 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 inventories, stated at AED 94,107 (previous year AED 135,463) 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).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 288,954 (previous year AED 243,410), 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.

6. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use asset[(a)] AED	Plant & machinery AED	Furniture, fixtures and office equipment AED	Total (Note 26) AED
Cost				
Additions	886,257	5,130	757,183	1,648,570
Transfer from a related party [Note 1(e)]	--	96,246	21,317	117,563
At 31 March 2022	886,257	101,376	778,500	1,766,133
Additions	--	178,800	3,140	181,940
At 31 March 2023	**886,257**	**280,176**	**781,640**	**1,948,073**
Accumulated depreciation				
Depreciation	75,558	32,142	78,065	185,765
At 31 March 2022	75,558	32,142	78,065	185,765
Depreciation	126,509	72,721	117,288	316,518
At 31 March 2023	**202,067**	**104,863**	**195,353**	**502,283**
Carrying amount				
At 31 March 2022	810,699	69,234	700,435	1,580,368
At 31 March 2023	**684,190**	**175,313**	**586,287**	**1,445,790**

(a) Right of use asset represents right of use of clinic premise on lease. The lease is for a period of 7 years.

7. INTANGIBLE ASSET

	Capital work-in-progress[(a)] AED (Note 26)
Cost	
Additions	7,212
Transfer from a related party [Note 1(e)]	12,105
At 31 March 2022	19,317
Additions	7,230
At 31 March 2023	**26,547**
Carrying amount	
At 31 March 2022	19,317
At 31 March 2023	**26,547**

(a) Capital work-in-progress represents costs incurred towards installation of new software.

		31.3.2023 AED	31.3.2022 AED (Note 26)
8.	**INVENTORIES**		
	Skin and hair care products and consumables	94,107	135,463
	Less: Provision for slow-moving inventories	(9,911)	(12,844)
		84,196	122,619

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

	31.3.2023 AED	31.3.2022 AED
Opening balance	12,844	--
Transfer from a related party	--	8,665
Provision made during the year/period	--	4,179
Provision written back during the year/period	(2,933)	--
Closing balance	9,911	12,844

		31.3.2023 AED	31.3.2022 AED
9.	**DEPOSITS AND OTHER RECEIVABLES**		
	Credit card receivables	20,904	2,126
	Staff advances	--	8,425
	Deposits	14,000	14,000
	Other receivables	48,020	--
		82,924	24,551
10.	**OTHER CURRENT ASSETS**		
	Prepayments	109,971	63,815
	Advance for goods and services	6,172	7,709
	VAT receivable (net)	--	13,506
		116,143	85,030

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, parent company, fellow subsidiaries, company under common ownership and/or common management control and key managerial personnel.

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

	Shareholder AED	Parent company AED	Fellow subsidiaries AED	Company under common ownership and/or common management control AED	Total 31.3.2023 AED	Total 31.3.2022 (Note 26) AED
Due from a related party	--	--	--	--	--	
	235,000	--	--	--		235,000
Due to related parties	--	--	658,153	--	658,153	
	--	274,032	58,071	7,212		339,315

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 25.

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

	Shareholder	Fellow subsidiaries	Company under common ownership and/or common management control	Total 2023	Total 2023 (Note 26)
	AED	AED	AED	AED	AED
Revenue	--	150,178	--	150,178	
	--	73,885	--		73,885
Purchases	--	166,999	--	166,999	
	--	247,588	--		247,588
Recharge of staff costs by a related party (note 23)	--	--	68,500	68,500	
	--	--	--		--
Recharge of staff costs to a related party (note 23)	--	414,150	--	414,150	
	--	490,596	--		490,596
Included in staff costs (note 23)	360,000	--	--	360,000	
	210,000	--	--		210,000
Recharge of other expenses to a related party	--	--	--	--	
	--	5,000	--		5,000
Additions to capital work-in-progress (note 7)	--	--	7,230	7,230	
	--	--	--		7,212
Transfer of net liabilities from a related party [note 1 (e)]	--	--	--	--	
	--	179,734			179,734

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

Doctor's salaries and benefits were recharged to a related party at agreed rates.

Certain administrative and staff related services were received from a related party free of cost.

	31.3.2023 AED	31.3.2022 AED (Note 26)
12. CASH AND CASH EQUIVALENTS		
Cash on hand	5,859	4,235
Bank balances in current accounts	128,614	49,253
	134,473	53,488
13. SHARE CAPITAL		
Issued and paid up:		
300 shares of AED 1,000 each	300,000	300,000

		31.3.2023 AED	31.3.2022 AED (Note 26)
14.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	243,410	--
	Transfer from a related party [Note 1(e)]	--	307,630
	Provision for the year/period	45,544	20,035
	Paid during the year/period	--	(84,255)
	Closing balance	288,954	243,410
15.	**LEASE LIABILITIES**		
	Lease liabilities for long term lease of clinic premise	700,835	810,193
	Disclosed in the statement of financial position as follows:		
	Non-current liability	584,525	700,835
	Current liability	116,310	109,358
		700,835	810,193
	A reconciliation of the movements in the lease liabilities is as follows:		
	Opening balance	810,193	--
	Addition	--	886,257
	Finance costs for the year/period	47,642	31,554
	Payments made during the year/period	(157,000)	(107,618)
	Closing balance	700,835	810,193
	A maturity analysis of undiscounted lease liabilities is as follows:		
	0 - 3 months	39,250	39,250
	3 - 6 months	39,250	39,250
	6 months – 1 year	78,500	78,500
	Presented as current liabilities	157,000	157,000
	1 – 6 years	667,250	824,250
	Total	824,250	981,250

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

	31.3.2023	31.3.2022
Lease payments due	824,250	981,250
Less: Finance cost on lease	(123,415)	(171,057)
Disclosed in the statement of financial position	700,835	810,193

		31.3.2023	31.3.2022
16.	**TRADE AND OTHER PAYABLES**		
	Trade payables	163,012	306,185
	Accruals	37,342	42,778
	Other payables	9,248	29,669
		209,602	378,632

The entire trade and other payables are due for settlement within one year from the reporting date.

	31.3.2023 AED	31.3.2022 AED (Note 26)
17. **OTHER CURRENT LIABILITIES**		
VAT payable (net)	**12,933**	--
Other liabilities	**159,611**	85,154
	172,544	85,154
18. **CONTRACT LIABILITIES**		
Contract liabilities relating to advance received to fulfil a contract	**68,851**	111,080
Disclosed as:		
Current liabilities	**68,851**	111,080

19. **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. Debt comprises total amounts owed by the Company, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 308 of the UAE Federal Law No. (32) of 2021. As referred in note 2(c) to the financial statements, since the losses of the Company exceeded 50% of its share capital, the managers referred the matter in the General Meeting in which the shareholders 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 according to the business requirements and to maintain capital at desired levels.

20. **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, 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 Company's revenue and cash flows.

	1.4.2023 to 31.3.2023 AED	26.8.2021 to 31.3.2022 AED (Note 26)
Primary Geographical segments		
- U.A.E.	2,564,549	1,800,238
Major service lines		
- Products	316,498	73,885
- Services	2,248,051	1,726,353
	2,564,549	1,800,238
Timing of revenue recognition		
- At a point in time	316,498	73,885
- Over time	2,248,051	1,726,353
	2,564,549	1,800,238

21. OTHER INCOME

Write-back of inventory provision	2,933	--
Miscellaneous income	1,131	--
	4,064	--

22. ADMINISTRATIVE AND SELLING EXPENSES

Staff salaries and benefits (note 23)	1,460,231	838,874
Staff end-of-service benefits	45,544	20,035
Depreciation of property, plant and equipment	316,518	185,765
Short-term lease expenses	4,597	49,287
Provision for slow-moving inventories	--	4,179
Legal and professional fees	119,669	130,968
Bank charges	49,992	32,107
Repairs and maintenance	149,753	104,167
License fees	49,578	47,750
Other expenses	115,130	103,147
	2,311,012	1,516,279

23. STAFF SALARIES AND BENEFITS

Staff salaries and benefits	1,805,881	1,329,470
Add: Recharge of staff costs by a related party (note 11)	68,500	--
Less: Recharged to a related party (note 11)	(414,150)	(490,596)
	1,460,231	838,874

(a) Includes staff salaries and benefits paid to Ms. Minal Patwardhan Andrade, shareholder of AED 360,000 (previous year AED 210,000).

24. FINANCE COSTS

On lease liabilities	47,642	31,554

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	At amortised cost	
	2023	2022
	AED	AED
Financial assets		
Deposits and other receivables	82,924	24,551
Due from a related party	--	235,000
Cash and cash equivalents	134,473	53,488
	217,397	313,039
Financial liabilities		
Lease liabilities (current and non-current)	700,835	810,193
Trade and other payables	209,602	378,632
Due to related parties	658,153	339,315
	1,568,590	1,528,140

Fair value measurement and disclosures

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 liabilities and 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 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.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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.

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

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to six years		Total	
	2023	2022	2023	2022	2023	2022
	AED	AED	AED	AED	AED	AED
Trade and other payables	209,602	378,632	--	--	209,602	378,632
Due to related parties	658,153	339,315	--	--	658,153	339,315
Lease liabilities (current and non-current)	157,000	157,000	667,250	824,250	824,250	981,250

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk
Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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
Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

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.

26. COMPARATIVE INFORMATION

The previous accounting period was from 26 August 2021 to 31 March 2022 [Note 1(a)] and therefore the comparative financial information is not entirely comparable with that of the current year which is for a period of 12 months.

27. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **M M C SKIN CLINIC L.L.C.**

RAJIV SURI	**PIYUSH LOYA**
MANAGER	**MANAGER**