

**Belle Terre Realty Limited
AND ITS SUBSIDIARY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

Belle Terre Realty Limited AND ITS SUBSIDIARY**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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Belle Terre Realty Limited**CORPORATE DATA**

		Date of appointment	Date of resignation
DIRECTORS	:		
		Gaurav Goel	25 July 2008
		Satyapal Jain	25 July 2008
		Shah Ahmud Khalil Peerbocus	4 May 2017
		Bhoomisha Tina Sohoraye Moholee	24 July 2017
		Kristee Bhurtun-Jokhoo	12 April 2021
			-
			-
			-
			12 April 2021
			-
REGISTERED OFFICE	:	Sanne House, Bank Street TwentyEight Cybercity Ebene 72201 Mauritius	
ADMINISTRATOR, SECRETARY AND MAURITIAN TAX AGENT	:	SANNE Mauritius Sanne House, Bank Street TwentyEight Cybercity Ebene 72201 Mauritius	
AUDITORS	:	Nexia Baker & Arenson Chartered Accountants 5 th Floor, C&R Court 49, Labourdonnais Street Port Louis Mauritius	
BANKER	:	SBI International (Mauritius) Limited 7 th Floor, Wing 2 SBI Tower Mindspace Building 45 Ebene Cybercity 72201 Mauritius	

Belle Terre Realty Limited AND ITS SUBSIDIARY

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

The directors present their commentary together with the audited financial statements of **Belle Terre Realty Limited** (the “Company”) and that of its subsidiary (collectively, the “Group”) for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and that of its Subsidiary, Oasis Holding (FZC), is to engage in investment of its own financial resources.

RESULTS AND DIVIDEND

The results of the Group and the Company for the year are as shown in the statements of profit or loss and other comprehensive income and related notes.

The directors have not declared and paid any dividend for the year under review (2021: USD Nil).

DIRECTORS

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

DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

AUDITORS

The auditors, **Nexia Baker & Arenson**, have indicated their willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **Belle Terre Realty Limited** under section 166 (d) of the Mauritius Companies Act 2001 during the financial year ended 31 March 2022.

**For SANNE Mauritius
Secretary**

Registered office:

Sanne House, Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

Date:

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF Belle Terre Realty Limited and its subsidiary

Report on the Financial Statements

Opinion

We have audited the financial statements of **Belle Terre Realty Limited (the “Company”) and its subsidiary (together referred to as the “Group”)**, set out on pages 8 to 36 which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statements 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 financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and the Certificate from the Secretary. The other information does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibilities 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.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF Belle Terre Realty Limited and its subsidiary

Report on the Financial Statements (continued)

Directors' Responsibilities for the Financial Statements (continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF Belle Terre Realty Limited and its subsidiary

Report on the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (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 achieves fair presentation.

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

Other Matter

This report is made solely to the Company's shareholder, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's shareholder, as a body, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company and its Subsidiary other than in our capacity as auditors.

We have obtained all information and explanations we have required.

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

Nexia Baker & Arenson
Chartered Accountants

Nitin Kumar Sobnack FCCA
Licensed by FRC

Date:.....

Belle Terre Realty Limited AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	The Group		The Company	
		2022	2021	2022	2021
		USD	USD	USD	USD
ASSETS					
Non-current assets					
Investment property	6	11,154,887	11,606,414	-	-
Investment in subsidiary company	7	-	-	6,827,929	6,847,929
Investment in associated company	8	15,627,898	15,638,804	15,627,898	15,638,804
		<u>26,782,785</u>	<u>27,245,218</u>	<u>22,455,827</u>	<u>22,486,733</u>
Current assets					
Receivables and prepayments	9	67,849	67,727	1,937	1,938
Cash and cash equivalents		240,559	137,723	6,517	11,413
		<u>308,408</u>	<u>205,450</u>	<u>8,454</u>	<u>13,351</u>
TOTAL ASSETS		<u>27,091,193</u>	<u>27,450,668</u>	<u>22,464,281</u>	<u>22,500,084</u>
EQUITY AND LIABILITY					
Capital and reserves					
Stated capital	10	22,784,233	22,784,233	22,784,233	22,784,233
Currency translation reserve		(165)	(53)	-	-
Retained earnings/(revenue deficits)		6,595	9,244	(326,617)	(290,821)
		<u>22,790,663</u>	<u>22,793,424</u>	<u>22,457,616</u>	<u>22,493,412</u>
Non-controlling interests		4,014,863	4,388,653	-	-
		<u>26,805,526</u>	<u>27,182,077</u>	<u>22,457,616</u>	<u>22,493,412</u>
Current liability					
Trade and other payables	11	285,667	268,591	6,665	6,672
TOTAL EQUITY AND LIABILITY		<u>27,091,193</u>	<u>27,450,668</u>	<u>22,464,281</u>	<u>22,500,084</u>

Approved by the Board for issue on 27 April 2022 and signed on its behalf by:

.....
Director

.....
Director

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

Belle Terre Realty Limited AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	The Group		The Company	
		2022	2021	2022	2021
		USD	USD	USD	USD
Income					
Income from rental properties (Net)	12	53,870	99,119	-	-
Other income		10,095	9,533	1	2
		63,965	108,652	1	2
Operating expenses					
Licence fees		3,411	11,301	1,950	1,950
Professional fees		24,435	20,494	14,500	18,971
Audit fee		5,865	5,865	5,865	5,865
Bank charges		1,115	1,400	1,115	1,400
Other expenses		9,833	6,217	1,461	1,523
		44,659	45,277	24,891	29,709
Operating profit/(loss) for the year		19,306	63,375	(24,890)	(29,707)
Share of loss of associated company	8	(10,906)	(3,750)	(10,906)	(3,750)
Profit/(loss) before taxation		8,400	59,625	(35,796)	(33,457)
Taxation	5	-	-	-	-
Profit/(loss) for the year		8,400	59,625	(35,796)	(33,457)
Other comprehensive income					
Exchange difference on translation foreign operation		(149)	(77)	-	-
Total comprehensive income/(loss) for the year		8,251	59,548	(35,796)	(33,457)
Profit/(loss) attributable to:					
Owners of the Company		(2,649)	36,355	(35,796)	(33,457)
Non-Controlling interests		11,049	23,270	-	-
		8,400	59,625	(35,796)	(33,457)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		(2,761)	36,297	(35,796)	(33,457)
Non-Controlling interests		11,012	23,251	-	-
		8,251	59,548	(35,796)	(33,457)

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

Belle Terre Realty Limited AND ITS SUBSIDIARY

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

The Group

	Attributable to the owner of the Company					Total equity
	Stated capital	Foreign currency translation reserve	(Revenue deficits)/ Retained earnings	Total	Non-controlling interests	
	USD	USD	USD	USD	USD	
At 1 April 2020	22,784,233	5	(27,111)	22,757,127	4,844,809	27,601,936
Loss for the year	-	-	36,355	36,355	23,270	59,625
Other comprehensive income for the year		(58)	-	(58)	(19)	(77)
Refund of capital contribution during the year	-	-	-	-	(479,407)	(479,407)
At 31 March 2021	22,784,233	(53)	9,244	22,793,424	4,388,653	27,182,077
Loss for the year	-	-	(2,649)	(2,649)	11,049	8,400
Other comprehensive loss for the year	-	(112)	-	(112)	(37)	(149)
Refund of capital contribution during the year	-	-	-	-	(384,802)	(384,802)
At 31 March 2022	22,784,233	(165)	6,595	22,790,663	4,014,863	26,805,526

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

Belle Terre Realty Limited AND ITS SUBSIDIARY

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**

The Company

	Stated capital	Revenue deficits	Total
	USD	USD	USD
At 1 April 2020	22,784,233	(257,364)	22,526,869
Total comprehensive loss for the year	-	(33,457)	(33,457)
At 31 March 2022	22,784,233	(290,821)	22,493,412
Total comprehensive loss for the year	-	(35,796)	(35,796)
At 31 March 2022	22,784,233	(326,617)	22,457,616

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

Belle Terre Realty Limited AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	The Group		The Company	
		2022	2021	2022	2021
		USD	USD	USD	USD
Cash flows from operating activities					
Profit/(loss) before taxation		8,400	59,625	(35,796)	(33,457)
<i>Adjustments for:</i>					
Interest income		(10,095)	(2)	(1)	(2)
Share of loss of associated company	8	10,906	3,750	10,906	3,750
Amortisation and depreciation	12	447,611	447,800	-	-
Operating profit/(loss) before working capital changes		456,822	511,173	(24,891)	(29,709)
(Increase)/decrease in receivables and prepayments		(122)	527	1	50
Increase/(decrease) in trade and other payables		17,076	(45,244)	(7)	(2,291)
Net cash from/(used in) operating activities		473,776	466,456	(24,897)	(31,950)
Cash flows from investing activities					
Interest received		10,095	2	1	2
Refund by investee company	14	-	-	20,000	40,000
Net cash from investing activities		10,095	2	20,001	40,002
Cash flows from financing activity					
Amount refunded to shareholder	14	(384,802)	(479,407)	-	-
Net cash used in financing activity		(384,802)	(479,407)	-	-
Net (decrease)/increase in cash and cash equivalents		99,069	(12,949)	(4,896)	8,052
Cash and cash equivalents at beginning of the year		137,723	148,434	11,413	3,361
Effect of exchange differences on translation of foreign subsidiary		3,767	2,238	-	-
Cash and cash equivalents at end of the year		240,559	137,723	6,517	11,413

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

Belle Terre Realty Limited AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

Belle Terre Realty Limited (the “Company”) was incorporated in Mauritius on 4 June 2008 as a private company limited by shares. The Company holds a Global Business Licence issued by the Financial Services Commission and has its registered office at Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The financial statements comprise of the financial statements of the Company and its subsidiary (collectively, the “Group”). The financial statements of the Group and the Company are presented in United States Dollar (“USD”), which is the Group’s and the Company’s functional and presentation currency.

The principal activity of the Company is to act as an investment holding company. The principal activity of the subsidiary company is described on page 3 and that its Subsidiary, Oasis Holding (FZC), incorporated in United Arab Emirates (UAE), is to engage in investment of its own financial resources.

2. Basis of preparation*(a) Statement of compliance*

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of measurement

The financial statements have been prepared using the going concern principle under the historical cost basis.

Functional and presentation currency

The Group’s and the Company’s functional and presentation currency is USD and all values are rounded to the nearest Dollar. USD is the currency of the primary economic environment in which the Group and the Company operate and their performance are evaluated and their liquidity are managed in USD.

(c) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Belle Terre Realty Limited AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Basis of preparation (continued)*(d) Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022.

Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Belle Terre Realty Limited AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Basis of preparation (continued)*(e) Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

3. Accounting policies*(a) Standards, Amendments to published Standards and Interpretations effective in the reporting period*

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 01 January 2021.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Group and the Company.

Belle Terre Realty Limited AND ITS SUBSIDIARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Accounting policies (continued)

(a) Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

Covid-19-Related Rent Concessions beyond 30 June 2021 - Amendments to IFRS 16. On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 01 April 2021.

These amendments had no impact on the financial statements of the Group and the Company.

(b) Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2022 or later periods, but which the Group and the Company has not early adopted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Annual Improvements 2018–2020

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

Reference to the Conceptual Framework (Amendments to IFRS 3)

Disclosure of Accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2

Definition of Accounting Estimates and disclosure of accounting policies - Amendments to IAS 8

Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12

Where relevant, the Group and the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

Belle Terre Realty Limited AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. Accounting policies (continued)

(b) Standards, Amendments to published Standards and Interpretations issued but not yet effective (continued)

Where relevant, the Group and the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(c) Rental income

The Group derives income from rental of its investment property. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

(d) Value added tax

Income and expenses are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the statement of financial position.

(e) Financial instruments

Initial recognition and measurement

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

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

The Group's and 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, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, as appropriate.

Belle Terre Realty Limited AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. Accounting policies (continued)

(e) *Financial instruments (continued)*

Subsequent measurement

Financial assets at amortised cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and;
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include other receivables and cash and cash equivalents.

Financial liabilities at amortised cost

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

The Group's and the Company's financial liabilities include other payables.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Company or the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;

or

- the Company or the Group has transferred its rights to receive cash flows from the asset and either

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

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

Where the Company or the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's or the Group's continuing involvement in the asset.

Belle Terre Realty Limited AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. Accounting policies (continued)

(e) Financial instruments (continued)

Derecognition (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company or the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires

Impairment of financial assets

For trade and intercompany account receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group and the Company consider a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

(f) Impairment of non-financial assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. Non-financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the non-financial asset, the estimated future cash flows of the investment has been affected. If any such indication exists, or when annual impairment testing 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 costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Belle Terre Realty Limited AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Accounting policies (continued)*(f) Impairment of non-financial assets (continued)*

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the fair value (using a fair value less cost to sell model), the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. 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 increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(g) Investments in subsidiary

In the Company's own separate financial statements, the investments in subsidiaries are stated at cost less any provision in impairment in value. Impairment loss recognised in profit and loss for a subsidiary is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book values of the subsidiaries are not necessarily indicative of the amounts that would be realised in a current market exchange.

(h) Cash and cash equivalents

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

(i) Related parties

Parties are considered to be related if one party has the ability to control (directly or indirectly) the other party or exercise significant influence over the other party in making financial and operating decisions.

Belle Terre Realty Limited AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Accounting policies (continued)*(j) Provisions*

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(k) Investment in associated company

Associates are undertakings over which the Group and the Company generally has between 20% and 50% of the voting rights or over which the Group and the Company has significant influence but which it does not control. The Group and the Company hold investment in an associate, which is initially recognised at cost and subsequently accounted for by using the equity method of accounting.

The Group's and the Company's share of its associate's profits or losses is recognised in the statement of profit or loss and other comprehensive income and its share of movements in reserves is recognised in equity. The cumulative movements are adjusted against the carrying amount of the investment. The accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company. When the Group's and the Company's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group and the Company do not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited in the statement of profit or loss and other comprehensive income.

(l) Expense recognition

Expenses are accounted for in the statement of profit or loss and other comprehensive income on an accrual basis.

(m) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The currently payable is based on taxable profit for the year. Taxable profit differs from the profit reported in the statement of profit or loss and other comprehensive income because it excludes income or expense items that are taxable or deductible in other years and items that are not taxable or tax deductible.

Belle Terre Realty Limited AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Accounting policies (continued)*(m) Income tax (continued)*

The Group's and the Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computing taxable profit, and are accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deduction temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by end of each reporting period. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense statement of profit or loss and other comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

(n) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies of the respective entities in the Group and the Company at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at end of the reporting period are retranslated to the functional currency at the exchange rates on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rates on the dates that the fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Accounting policies (continued)*(n) Foreign currency transactions (continued)*

The monetary assets and liabilities of foreign operations are translated to USD at the exchange rates at end of the reporting period. Non-monetary assets are translated to USD at historical rate. The income and expenses of foreign operations are translated to USD at average exchange rates for the year.

Foreign exchange differences are recognised in the currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the currency translation reserve is transferred to the statement of profit or loss and other comprehensive income.

(o) Stated capital

Ordinary shares are classified as equity.

*(p) Investment property***Cost model**

Leasehold rights and building acquired for the purposes of earning rental income and for capital appreciation are classified as investment properties and stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated using the straight-line method over the expected useful lives of the properties as follows:

Leasehold rights	41 years
Building	20 years

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

4. Critical accounting estimates and judgements

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

The Group and the Company make estimates and assumptions concerning the future. The future accounting estimates will by definition seldom equal to the actual results.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Belle Terre Realty Limited AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Critical accounting estimates and judgements (continued)*Determination of functional currency*

The determination of the functional currency of the Group and the Company is critical since recording transaction and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered these factors and have determined that the functional currency of the Group and the Company is USD.

Going concern

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

Belle Terre Realty Limited AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Taxation**The Company****(a) Income tax rate**

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Entities which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax (“Deemed tax credit”) on its foreign source income resulting in a maximum effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of Shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company’s tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

At 31 March 2022, the Company had accumulated tax losses of **USD131,476** (2021: USD 121,535) which will be carried forward and available for set off against future taxable profits up to the year ending 31 March 2021.

A deferred tax asset of **USD747** (2021: USD 891) has not been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

Belle Terre Realty Limited AND ITS SUBSIDIARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Taxation (continued)

(b) Tax reconciliation

The reconciliation between the actual tax expense and the tax calculated at the applicable rate of 15% for the year under review is as follows:

	<u>2022</u>	<u>2021</u>
	USD	USD
Loss before taxation	<u>(24,890)</u>	<u>(29,707)</u>
Tax at the rate of 15%	(3,734)	(4,456)
Tax credit of 80%	2,987	3,565
Deferred tax not recognised	<u>747</u>	<u>891</u>
Tax charge	<u>-</u>	<u>-</u>

The Subsidiary

The subsidiary company, Oasis Holding (FZC), is exempt from taxation in United Arab Emirates.

6. Investment property

	<u>The Group</u>		
	<u>Leasehold rights (a)</u>	<u>Building (b),(c)</u>	<u>Total</u>
	USD	USD	USD
<u>Cost</u>			
At beginning of the year	8,594,879	4,782,959	13,377,838
Exchange difference	(2,899)	(1,613)	(4,512)
At end of the year	<u>8,591,980</u>	<u>4,781,346</u>	<u>13,373,326</u>
<u>Depreciation</u>			
At beginning of the year	825,313	946,111	1,771,424
Charged during the year (see note 12)	208,544	239,067	447,611
Exchange difference	(278)	(319)	(597)
At end of the year	<u>1,033,579</u>	<u>1,184,859</u>	<u>2,218,438</u>
<u>Net Book Values</u>			
As at 31 March 2022	<u>7,558,400</u>	<u>3,596,487</u>	<u>11,154,887</u>
As at 31 March 2021	<u>7,769,566</u>	<u>3,836,848</u>	<u>11,606,414</u>

Belle Terre Realty Limited AND ITS SUBSIDIARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Investment property (continued)

- (a) This represents amount paid for rights to leasehold land in the year 2008. The leasehold land is situated in Dubai, UAE. The lease is for a period of 50 years and valid up to 18 June 2058.
- (b) This represents building used for labour accommodation situated in Dubai, UAE which is constructed on the leasehold land.
- (c) The management is of the opinion that, in the absence of comparable market prices, the fair value of building cannot be reasonably reliably determined but is considered to be at least equal to its carrying amount.

7. Investment in subsidiary company

	<u>The Company</u>	
	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
At beginning of the year	6,847,929	6,887,929
Movement during the year	(20,000)	(40,000)
At end of the year	<u>6,827,929</u>	<u>6,847,929</u>

Name of subsidiary company	Country of incorporation	Number and type of shares	% holding	<u>At cost</u>	
				<u>2022</u>	<u>2021</u>
				<u>USD</u>	<u>USD</u>
Oasis Holding (FZC)	United Arab Emirates	75 equity shares of AED 1,500 each	75%	30,654	30,654
		Amount advanced		<u>6,797,275</u>	<u>6,817,275</u>
				<u>6,827,929</u>	<u>6,847,929</u>

Oasis Holding (FZC) is engaged in investment of own financial resources and has incurred expenses for plot of land and development thereof for construction of labour accommodation.

The directors are of the opinion that there is no impairment on the value of the investment as at 31 March 2021.

The amount advanced to the subsidiary company of USD6,797,275 is unsecured, interest free and is expected to be settled in cash after more than one year.

Belle Terre Realty Limited AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Investment in associated company

				<u>The Group and The Company</u>	
				<u>2022</u>	<u>2021</u>
				USD	USD
At beginning of the year				15,638,804	15,642,554
Share of losses during the year				(10,906)	(3,750)
At end of the year				<u>15,627,898</u>	<u>15,638,804</u>

Name of associated company	Country of incorporation	Number and type of shares	% holding	<u>Carrying amount</u>	
				<u>2022</u>	<u>2021</u>
				USD	USD
Searock Developers FZC	United Arab Emirates	50 equity shares of AED 1,500 each	50%	-	-
Amount advanced				<u>15,627,898</u>	<u>15,638,804</u>
				<u>15,627,898</u>	<u>15,638,804</u>

The initial cost of investment in Searock Developers FZC amounted to USD20,436.

Searock Developers FZC is engaged in Real Estate Development and related activities.

The amount advanced to associated company of USD15,627,898 is unsecured, interest free and is expected to be settled in cash after more than one year.

The Company, as required by International Accounting Standards 28, is preparing financial statements under the equity method of accounting for its investment in associated undertakings.

The summarised information of Searock Developers FZC used in applying the equity method of accounting are as follows:

Year ended	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Losses</u>
	USD	USD	USD	USD
31 March 2022	<u>31,156,086</u>	<u>2,573</u>	<u>-</u>	<u>(21,812)</u>
31 March 2021	<u>31,166,601</u>	<u>2,573</u>	<u>-</u>	<u>(14,998)</u>

The directors are of the opinion that there is no need for impairment on the value of the investment in Searock Developers FZC at 31 March 2021 given that Searock Developers FZC is still in its developmental stage and continues to pursue its main objective of developing residential and commercial projects on the island acquired for "The World" project in the United Arab Emirates.

Belle Terre Realty Limited AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Receivables and prepayments

	The Group		The Company	
	2022	2021	2022	2021
	USD	USD	USD	USD
Deposit	65,775	63,315	-	-
Prepayments	2,074	4,014	1,937	1,938
VAT receivable	-	398	-	-
	<u>67,849</u>	<u>67,727</u>	<u>1,937</u>	<u>1,938</u>

10. Stated capital

	The Group and The Company	
	2022	2021
	USD	USD
<i>Issued and fully paid</i>		
<u>Ordinary shares of USD1 each</u>		
At beginning and end of the year	<u>9,933</u>	<u>9,933</u>
<u>Optionally convertible preference shares of USD1 each</u>		
At beginning and end of the year	<u>22,774,300</u>	<u>22,774,300</u>
Total	<u>22,784,233</u>	<u>22,784,233</u>

Ordinary shares are non-redeemable shares and have right to distribution. Holders of the ordinary shares have the right to vote on all matters submitted to shareholders except those requiring approval of the optionally convertible preference shareholders.

Optionally convertible preference shares ("OCPS") are redeemable at par by the Company to its holders and are not to be redeemed below its issue price. The OCPS can be converted into ordinary shares at the option of its holder as well as at the option of the Company at any time after issue of OCPS. The OCPS can be converted within 10 years in the ratio of one OCPS for one ordinary share. The OCPS do not have any voting rights at shareholders' meetings of the Company except on matters affecting their rights. The OCPS have priority for distribution over ordinary shares on winding up.

Belle Terre Realty Limited AND ITS SUBSIDIARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Trade and other payables

	The Group		The Company	
	2022	2021	2022	2021
	USD	USD	USD	USD
Deferred income	182,486	174,721	-	-
Other payable	61,883	67,449	-	-
Accruals	41,298	26,421	6,665	6,672
	285,667	268,591	6,665	6,672

12. Income from rental properties (Net)

	The Group	
	2022	2021
	USD	USD
Operating lease income	1,025,287	1,073,374
Less:		
Depreciation of investment property (see note 6)	(447,611)	(447,800)
Repairs and maintenance	(144,077)	(146,538)
Utilities	(322,003)	(322,665)
Other direct costs	(57,726)	(57,252)
	53,870	99,119

13. Financial instruments and associated risks

The Group is exposed to various types of risks that are associated with the financial instruments. The most important types of financial risk to which the Group is exposed are market risk, credit risk and liquidity risk.

The nature and extent of the financial instruments outstanding at end of the reporting period and the risk management policies employed by the Group are discussed below.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk. The Group's market risk are managed by the Company in accordance with policies and procedures in place.

Belle Terre Realty Limited AND ITS SUBSIDIARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Financial instruments and associated risks (continued)

(a) Market risk (continued)

(i) Currency risk

The Group may enter into transactions denominated in currencies other than its functional currency. Consequently, the Group is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the USD.

Currency profile

The Group's and the Company's total net exposure to fluctuations in foreign currency exchange rates at the end of the reporting period were as follows:

	The Group			
	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
Dirhams	299,817	96,516	189,625	261,919
United States Dollars	6,517	6,665	11,413	6,672
	306,334	103,181	201,038	268,591

	The Company			
	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
United States Dollars	6,517	6,665	11,413	6,672

Belle Terre Realty Limited AND ITS SUBSIDIARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Financial instruments and associated risks (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in Dirhams against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Dirhams strengthens 5% against the USD. For a 5% weakening of Dirhams against the USD, there would be an equal and opposite impact on the profit and other equity.

	Increase/ (decrease) in foreign exchange rate	The Group	
		Effect on equity	
		2022	2021
		USD	USD
Depreciation of USD in relation to Dirhams	+5%	<u>10,158</u>	<u>3,443</u>
Appreciation of USD in relation to Dirhams	(5%)	<u>(10,158)</u>	<u>(3,805)</u>

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's financial assets (except bank deposits) and liabilities are non-interest-bearing. As such, the Group is not subject to significant risk due to fluctuations in the prevailing levels of the market interest rates. Interest income from bank deposits may fluctuate in amount, in particular due to changes in the interest rates. However, the interest rate risk of the Group was insignificant on its cash at bank as at 31 March 2022.

Belle Terre Realty Limited AND ITS SUBSIDIARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Financial instruments and associated risks (continued)

(a) Market risk (continued)

(iii) Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the investment or all factors affecting all instruments traded in the market.

The Group is not exposed to price risk as the shares of the investee companies are not quoted.

(b) Credit risk

Credit risk represents the potential loss that the Group would incur if counter parties fail to perform pursuant to the terms of their obligations to the Group. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The maximum exposure of financial assets to credit risk for the year is as follows:

	The Group		The Company	
	2022	2021	2022	2021
	USD	USD	USD	USD
Cash and cash equivalents	240,559	137,723	6,517	11,413

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

Belle Terre Realty Limited AND ITS SUBSIDIARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Financial instruments and associated risks (continued)

(c) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities:

	<u>The Group</u>		<u>The Company</u>	
	<u>Less than one year</u>	<u>Between 1 and 5 years</u>	<u>Less than one year</u>	<u>Between 1 and 5 years</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<i>At 31 March 2022</i>				
Trade and other payables	<u>103,181</u>	<u>-</u>	<u>6,665</u>	<u>-</u>
<i>At 31 March 2021</i>				
Trade and other payables	<u>268,591</u>	<u>-</u>	<u>6,672</u>	<u>-</u>

(d) Capital risk management

The Group's primary objectives when managing capital is to safeguard their ability to continue as a going concern.

The Group and the Company define "capital" as including all components of equity.

The Group's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Group. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group, to the extent that these do not conflict with the directors' fiduciary duties towards the Group or the requirements of local regulation.

The Group was not subject to externally imposed capital requirements during the year under review.

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13. Financial instruments and associated risks (continued)

(e) Fair values

The carrying amounts of the financial assets and liabilities approximate their fair values.

The following tables set out the fair value of the financial instruments:

<u>2022</u>	<u>The Group</u>		<u>The Company</u>	
	<u>At amortised costs</u>	<u>Total carrying amounts</u>	<u>At amortised costs</u>	<u>Total carrying amounts</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<u>Financial assets</u>				
Receivables	65,775	65,775	-	-
Cash and cash equivalents	240,559	240,559	6,517	11,413
	<u>306,334</u>	<u>306,334</u>	<u>6,517</u>	<u>11,413</u>
<u>Financial liability</u>				
Trade and other payables	<u>103,181</u>	<u>103,181</u>	<u>6,665</u>	<u>6,665</u>
<u>2021</u>				
	<u>At amortised costs</u>	<u>Total carrying amounts</u>	<u>At amortised costs</u>	<u>Total carrying amounts</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<u>Financial assets</u>				
Receivables	-	-	-	-
Cash and cash equivalents	137,723	137,723	11,413	11,413
	<u>137,723</u>	<u>137,723</u>	<u>11,413</u>	<u>11,413</u>
<u>Financial liability</u>				
Trade and other payables	<u>268,591</u>	<u>268,591</u>	<u>6,672</u>	<u>6,672</u>

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14. Related party transactions

Name of related parties	Relationship	Nature of transactions	Volume	Balance	
			2022	2022	2021
			USD	USD	USD
<u>The Company</u>					
<u>Advances to investee companies</u>					
Oasis Holding (FZC)	Subsidiary company	Amount advanced	(20,000)	6,797,275	6,817,275
Searock Developers FZC	Associated company	Amount advanced	-	15,627,898	15,638,804
			<u>(20,000)</u>	<u>22,425,173</u>	<u>22,456,079</u>
<u>The Group</u>					
<u>Advances to investee companies</u>					
Searock Developers FZC	Associated company	Amount advanced	-	15,635,226	15,638,804
<u>Capital Contributions</u>					
GRP Holdings Limited	Shareholder of the subsidiary	Capital contribution	<u>384,802</u>	<u>3,893,632</u>	<u>4,278,434</u>

15. Holding and ultimate holding companies

The directors regard Jai Corp Limited, a company listed on the National Stock Exchange of India Limited and BSE Limited in India, as being the Company's holding and ultimate holding

16. Events after the reporting period

On 24 February 2022, Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the emerging Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the Company are unclear at this stage.