Oasis Holding (FZC)
Sharjah – U.A.E.

Financial Statements and
Independent Auditor's Report
31 March 2022

Country of Registration
United Arab Emirates

Office:
Sharjah Airport International Free Zone
P. O. Box 121943
Sharjah, United Arab Emirates

OASIS HOLDING (FZC)

Financial statements and independent auditor's report
Year ended 31 March 2022

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To the Shareholders of OASIS HOLDING (FZC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **OASIS HOLDING (FZC)** (the "Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of 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).

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 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.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the Implementation Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No.2 of 1995, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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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.

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INDEPENDENT AUDITOR'S REPORT

(continued)

Report on Other Legal and Regulatory Requirements

We further confirm that the financial statements comply with the applicable provisions of Implementation Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995.

S.M. JOSHI	**Dubai, U.A.E.**
Chartered Accountants	**4 April 2022**
Registration No. 108	

OASIS HOLDING (FZC)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	2022 AED	2021 AED
ASSETS			
Non-current assets			
Investment properties	6	**40,980,482**	42,624,903
Current assets			
Other receivables	7	**234,525**	232,525
Other current assets	8	**7,621**	9,088
Cash and cash equivalents	9	**859,816**	463,879
		1,101,962	705,492
Total assets		**42,082,444**	43,330,395
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	10	**150,000**	150,000
Retained earnings		**1,631,540**	1,469,174
Total shareholders' funds		**1,781,540**	1,619,174
Current liabilities			
Loans from shareholders for projects	11	**39,275,916**	40,749,316
Accruals and other payables	13	**364,363**	292,530
Deferred income	14	**660,625**	669,375
Total liabilities		**40,300,904**	41,711,221
Total equity and liabilities		**42,082,444**	43,330,395

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 shareholders on 4 April 2022.

For **OASIS HOLDING (FZC)**

DIRECTORS

OASIS HOLDING (FZC)

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

	Notes	2022 AED	2021 AED
Revenue		**--**	--
Rental income from investment properties		**3,766,667**	3,941,666
Direct expenses related to investment properties	16	**(3,568,760)**	(3,577,679)
Other income	17	**37,083**	35,000
Administrative expenses	18	**(72,624)**	(57,170)
PROFIT FOR THE YEAR		**162,366**	341,817
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**162,366**	341,817

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.

Approved and authorised for issue by the shareholders on 4 April 2022.

For **OASIS HOLDING (FZC)**

DIRECTORS

OASIS HOLDING (FZC)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Retained earnings AED	Total AED
Balance at 1 April 2020	150,000	1,127,357	1,277,357
Total comprehensive income for the year	--	341,817	341,817
Balance at 31 March 2021	150,000	1,469,174	1,619,174
Total comprehensive income for the year	--	162,366	162,366
Balance at 31 March 2022	**150,000**	**1,631,540**	**1,781,540**

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.

OASIS HOLDING (FZC)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 AED	2021 AED
Cash flows from operating activities		
Profit for the year	162,366	341,817
Depreciation on investment properties	1,644,421	1,644,421
	1,806,787	1,986,238
Changes in:		
– Other receivables	(2,000)	--
– Other current assets	1,467	1,750
– Accruals and other payables	71,833	(66,068)
– Deferred income	(8,750)	(91,666)
Net cash from operating activities	1,869,337	1,830,254
Cash flows from financing activities		
Repayment of loans from shareholders for projects (net)	(1,473,400)	(1,899,055)
Net cash used in financing activities	(1,473,400)	(1,899,055)
Net increase/(decrease) in cash and cash equivalents	395,937	(68,801)
Cash and cash equivalents at beginning of year	463,879	532,680
Cash and cash equivalents at end of year (note 9)	859,816	463,879

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) **OASIS HOLDING (FZC)** (the "Company") is a limited liability company registered in Sharjah Airport International Free Zone, Sharjah, UAE as a Free Zone Company, in accordance with the provision of Law No. 2 of 1995 of H.H. Sheikh Sultan Bin Mohammed Al Qassimi, the Ruler of Sharjah. The registered address is PO Box 121943, Executive Suite, Sharjah, United Arab Emirates. The Company was registered on 18 June 2008 and commenced operations since then.

b) The Company operates under license no. 06338 issued by Sharjah Airport International Free Zone Authority and is engaged in the activity of investment of own financial resources.

c) The parent company is Belle Terre Realty Limited, Mauritius and the ultimate parent company is Jai Corp. Limited, India.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2021, and the Implementation Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No.2 of 1995.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) **Going concern**

The financial statements are prepared on a going concern basis.

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

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in the activities of leasing of property, Covid-19 is not expected to have a significant impact on the Company. Hence, the management has determined that there is no material uncertainty that casts doubt on the Company's ability to continue as a going concern.

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

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

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

The following amendments became effective 1 January 2021, but did not have any significant impact on the Company's financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark - Phase 2

New and revised IFRSs in issue but not yet effective

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

- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (1 January 2023)
- Amendments to IAS 8 – Definition of Accounting Estimates (1 January 2023)

e) **Functional and presentation currency**

The financial statements are 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) **Investment property**

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 each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

b) **Revenue recognition**

The Company is engaged in the activity of investment of own financial resources.

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.

c) **Rental income**

Rental income from operating leases is recognised, net of discounts, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except when an alternative basis is more representative of the pattern of benefits to be derived from the leased assets.

d) **Leases**

As a lessee

The Company leases land. Rental contracts are typically made for fixed period of 41 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.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in rental income from investment properties in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

e) **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank current accounts.

f) **Foreign currency transactions**

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

Monetary assets and liabilities expressed in foreign currencies are translated into UAE 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) **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 does not have any taxable supplies of goods or services nor has its expenses exceeded the prescribed statutory threshold. As VAT registration is not mandatory in UAE for such entities, the Company has opted to deregister under VAT.

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

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

j) **Financial instruments**

Classification

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

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

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

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

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

Recognition

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

Derecognition

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

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Measurement

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

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

Financial assets at amortised cost

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

Financial liabilities

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

Financial liabilities at amortised cost comprise of accruals and other payables and loans from shareholders for projects.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs 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 ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

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

- Bank balances and 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 30 days past due.

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

- The tenant 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 360 days past due.

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

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

Offsetting

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

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

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

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:

Investment property
Properties acquired on a leasehold basis are classified as investment property if they would otherwise fall within the definition of an investment property.

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

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

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under its leases to lease the assets for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. 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.

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

Assessments of net recoverable amounts of investment property 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(j).

Impact of Covid-19

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

6. INVESTMENT PROPERTIES

	Leasehold rights[a] AED	Building[b],[c] AED	Total AED
Cost			
At 1 April 2020, 31 March 2021 and 31 March 2022	**31,564,950**	**17,565,561**	**49,130,511**
Accumulated depreciation			
At 1 April 2020	2,264,844	2,596,343	4,861,187
Depreciation	766,144	878,277	1,644,421
At 31 March 2021	3,030,988	3,474,620	6,505,608
Depreciation	766,144	878,277	1,644,421
At 31 March 2022	**3,797,132**	**4,352,897**	**8,150,029**
Carrying amount			
At 1 April 2020	29,300,106	14,969,218	44,269,324
At 31 March 2021	28,533,962	14,090,941	42,624,903
At 31 March 2022	**27,767,818**	**13,212,664**	**40,980,482**

(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. The leasehold interest in land is capitalised as Right-of-Use asset.

(b) This represents building costing AED 17,565,561 (previous year AED 17,565,561) and carrying amount of AED 13,212,664 (previous year AED 14,090,941) 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.

	2022 AED	2021 AED
7. OTHER RECEIVABLES		
Deposits	**234,525**	232,525
8. OTHER CURRENT ASSETS		
Prepayments	**7,621**	7,625
VAT receivable (net)	**--**	1,463
	7,621	9,088
9. CASH AND CASH EQUIVALENTS		
Bank balances:		
Current account	**843,252**	446,999
Call deposit	**16,564**	16,880
	859,816	463,879

		2022	2021
		AED	AED
10.	**SHARE CAPITAL**		
	100 shares of AED 1,500 each	150,000	150,000

The shareholders at 31 March 2022 and their interest as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Belle Terre Realty Limited	75	112,500
Splendid Holdings Limited (formerly GRP Holdings Limited)	25	37,500
	100	**150,000**

		2022	2021
11.	**LOANS FROM SHAREHOLDERS FOR PROJECTS**		
	Opening balance	40,749,316	42,648,371
	Funds withdrawn (net)	(1,473,400)	(1,899,055)
	Closing balance	39,275,916	40,749,316

12. RELATED PARTIES

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

Related parties comprise the parent company, the ultimate parent company, companies under common ownership and/or common management control and shareholders.

At the reporting date, loans from shareholders for projects were AED 39,275,916 (previous year AED 40,749,316).

Loans from shareholders for projects are unsecured, interest free and are expected to be settled in cash. Repayment and other terms are set out in notes 11 and 19.

During the year, there are no significant transactions with related parties (previous year Nil).

The Company avails certain administrative services from a related party free of cost.

		2022	2021
		AED	AED
13.	**ACCRUALS AND OTHER PAYABLES**		
	Accruals	144,363	72,530
	Other payables	220,000	220,000
		364,363	292,530

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

		2022	2021
14.	**DEFERRED INCOME**		
	Deferred income	660,625	669,375

15. 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 previous year, comprises shareholders' funds as presented in the statement of financial position together with the loans from shareholders for projects. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per the Implementation Regulations issued by Sharjah Airport Free Zone Authority pursuant to Law No. 2 of 1995. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds introduced by way of loan received from shareholders for projects are retained in the business, according to the business requirements and to maintain capital at desired levels.

	2022 AED	2021 AED
16. DIRECT EXPENSES RELATED TO INVESTMENT PROPERTIES		
Depreciation on investment properties (note 6)	1,644,421	1,644,421
Repairs and maintenance	529,300	538,119
Utilities	1,182,967	1,184,897
Other direct costs	212,072	210,242
	3,568,760	3,577,679
17. OTHER INCOME		
Miscellaneous income	37,083	35,000
18. ADMINISTRATIVE EXPENSES		
Trade license renewal fees	36,500	34,340
Other expenses	36,124	22,830
	72,624	57,170

19. FINANCIAL INSTRUMENTS

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

	At amortsed cost	
	2022 AED	2021 AED
Financial assets		
Other receivables	234,525	232,525
Cash and cash equivalents	859,816	463,879
	1,094,341	696,404

	At amortised cost	
	2022	2021
	AED	AED
Financial liabilities		
Loans from shareholders for projects	39,275,916	40,749,316
Accruals and other payables	364,363	292,530
	39,640,279	41,041,846

Management of risk

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

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

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

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with related parties to manage exposure to liquidity risk.

The Company buys and sells goods in foreign currencies. Exposure to foreign currency transactions is minimised by denominating the transaction in US Dollars to which the UAE Dirham is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

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

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

There are no trade receivables at the reporting date (previous year Nil).

Currency risk

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

Interest rate risk

As at the reporting date the Company is not exposed to any significant interest rate risk.

Fair values

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

The fair values of cash and cash equivalents, other receivables, accruals and other payables and loans from shareholders for projects approximate their carrying amounts largely due to the short-term maturities of these instruments.

20. COMPARATIVE INFORMATION

Other payables amounting to AED 27,708 are classified from other payables to other current liabilities as it is considered that the revised classification which has been adopted in the current accounting year, more fairly presents the state of affairs.

For **OASIS HOLDING (FZC)**

DIRECTORS