BRITANNIA AND ASSOCIATES (DUBAI)
PVT COMPANY LIMITED

P O Box 9275, Dubai, UAE

FINANCIAL STATEMENTS

Year ended 31 March 2022

BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

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BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and Accounts of the Company for the financial year ended 31 March 2022.

ACTIVITIES

The business of the Company is investment holding.

RESULTS

The profit for the year ended is USD 99,670 (previous year profit USD 128,575) which is carried forward to the statement of financial position.

SHAREHOLDER, DIRECTORS AND SECRETARY

The sole shareholder of the Company is Britannia and Associates (Mauritius) Pvt Company Limited.

Directors of the Company are as follows:

1. Mr. Nusli Wadia
2. Mr. Varun Berry
3. Mr. Chandra Kumar Gujadhur

Secretary of the Company is Mr. Vishal Bhimani [previous year Mr. Vishal Bhimani].

AUDITORS

Mahendra Asher & Co., Chartered Accountants, P O Box 4421, Dubai, UAE, have offered themselves for reappointment as Auditors for next year.

For **BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED**

DIRECTORS

Dubai

Dated: 18 April 2022

MAHENDRA ASHER & CO.
CHARTERED ACCOUNTANTS
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INDEPENDENT MEMBER OF
ABACUS WORLDWIDE
TASK
MEMBER OF THE FORUM OF FIRMS

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محاسبون قانونيون
ص.ب: ٤٤٢١، دبـي - ا.ع.م.
تليفون: ٩٧١٤-٢٢٢٧٥٨٠
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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

Opinion

We have audited the financial statements of **BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED ("the Company")**, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and 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 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.

Stand Alone Financial Statements

As stated in Note 1.5, these are stand alone financial statements as per IAS 27. Consolidated financial statements will be separately prepared by the Company in due course.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and in compliance with the applicable provisions of the Company's Memorandum and Articles of Association and The Jebel Ali Free Zone Authority Offshore Companies Regulations 2018, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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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 achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

We also confirm that proper books of accounts been kept by the Company and these financial statements are consistent with the books of accounts and records of the Company. We have obtained all the information and explanations we required for the purpose of our audit. The Company's financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum and Articles of Association and The Jebel Ali Free Zone Authority Offshore Companies Regulations 2018.

For **MAHENDRA ASHER & CO.**
R N Shetty (Registration No. 77)
Dubai
Dated : 18 April 2022

MAHENDRA ASHER & CO. P.O.Box: 4421 Dubai - U.A.E. CHARTERED ACCOUNTANTS

BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION - AT 31 MARCH 2022

(All figures in USD)

	Notes	2022	2021
ASSETS			
Non-current assets			
Investment in subsidiaires	7	22,778,190	22,530,690
Total non-current assets		22,778,190	22,530,690
Current assets			
Loan receivable	8	8,000,000	8,000,000
Deposit		5,681	3,181
Bank balance	9	53,417	80,656
Total current assets		8,059,098	8,083,837
TOTAL ASSETS		30,837,288	30,614,527
EQUITY AND LIABILITIES			
Equity			
Capital		24,825,955	24,825,955
Share premium	10	199,730	199,730
Accumulated (loss)		(2,665,666)	(2,765,336)
Total equity		23,360,019	22,260,349
Current liabilities			
Payables	11	477,269	354,178
Due to Holding Company	12	8,000,000	8,000,000
Total current liabilities		8,477,269	8,354,178
Total liabilities		8,477,269	8,354,178
TOTAL EQUITY AND LIABILITIES		30,837,288	30,614,527

The attached Notes 1 to 19 form part of these financial statements.

We have approved these financial statements, and confirm that we are responsible for them including the selection of accounting policies and making judgements underlying them. We also confirm that we have made available all accounting records and information for preparing these financial statements.

Directors have authorised the issue of these financial statements on 18 April 2022

For Independent Auditors' Report, see pages 3 – 6

For **BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED**

DIRECTORS

Dubai

BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

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

(All figures in USD)

	Notes	2022	2021
Interest income		280,382	357,110
Interest expense		(114,072)	(157,667)
Other operating expenses	13	(66,640)	(70,868)
Profit for the year		99,670	128,575
Other comprehensive income		-	-
Total comprehensive profit for the year		99,670	128,575

The attached Notes 1 to 19 form part of these financial statements

For Independent Auditors' Report, see pages 3 – 6

BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED 31 MARCH 2022

(All figures in USD)

	Capital	Share premium	Accumulated (loss)	Total
Balance at 31 March 2020	24,825,955	199,730	(2,893,911)	22,131,774
Profit for the year	-	-	128,575	128,575
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	128,575	128,575
Total transactions with owners	-	-	-	-
Balance at 31 March 2021	24,825,955	199,730	(2,765,336)	22,260,349
Profit for the year	-	-	99,670	99,670
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	99,670	99,670
Total transactions with owners	-	-	-	-
Balance at 31 March 2022	24,825,955	199,730	(2,665,666)	23,360,019

Capital consists of 9,117,332 shares of AED 10 each fully paid. (US$ 24,825,955 @ 3.6725).

The attached Notes 1 to 19 form part of these financial statements

For Independent Auditors' Report, see pages 3 – 6

STATEMENT OF CASH FLOWS - YEAR ENDED 31 MARCH 2022

(All figures in USD)

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		99,670	128,575
Operating profit before working capital changes		99,670	128,575
Decrease in loan receivable		-	3,000,000
(Increase) in deposit		(2,500)	(2,500)
Increase in payables		123,091	154,659
(Decrease) in due to holding company		-	(3,000,000)
Net cash from operating activities		220,261	280,734
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash from/(used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Investment in subsidiary		(247,500)	(247,500)
Net cash (used in) financing activities		(247,500)	(247,500)
Net (decrease)/increase in cash and cash equivalents		(27,239)	33,234
Cash and cash equivalents - beginning of year		80,656	47,422
Cash and cash equivalents - end of year	9	53,417	80,656

The attached Notes 1 to 19 form part of these financial statements

For Independent Auditors' Report, see pages 3 – 6

(All figures in USD)

1 REPORTING ENTITY

1.1 **BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED** ("the Company") is a Limited Liability Company formed under Jebel Ali Free Zone Authority Offshore Companies Regulations 2018 repealed and replace The Jebel Ali Free Zone Authority Offshore Companies Regulations 2003.

1.2 Registered office address of the Company is P O Box 9275, Dubai, UAE.

1.3 The financial statements are presented in US Dollar (USD) which is the functional currency of the Company.

1.4 The sole shareholder of the Company is Britannia and Associates (Mauritius) Pvt Limited holding 9,117,332 shares of AED 10 each. ("Holding Company").

Directors of the Company are as follows:

1. Mr. Nusli Wadia
2. Mr. Varun Berry
3. Mr. Chandra Kumar Gujadhur

Secretary of the Company is Mr. Vishal Bhimani.

1.5 The financial statements are prepared as stand alone financial statement as per IAS 27. Consolidated financial statement will be separately prepared by the Company.

2 ACTIVITIES

Business of the Company is investment holding.

3 APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

The following amendments to IFRSs issued are mandatorily effective for the current year:

* Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - *re: Interest Rate Benchmark Reform, Phase 2*

* Amendments to IFRS 16 - re: *Covid-19 Related Rent Concessions beyond 30 June 2021 (effective from 1 June 2021)*

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - *re: Interest Rate Benchmark Reform, Phase 2*

The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The objectives of the Phase 2 amendments are to:

-support companies in applying IFRS Standards when changes are made to contractual cash flows or hedging relationships because of the reform; and

-assist companies in providing useful additional information to users of financial statements

Amendments to IFRS 16 - re: *Covid-19 Related Rent Concessions beyond 30 June 2021*

The amendment provides practical relief to the lessees in accounting for rent concession occurring as a direct consequence of COVID-19 by introducing practical expedient to IFRS 16 by which a lessee can elect not to assess whether COVID-19 related rent concession as a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

This practical concession affected payments originally due on or before 30 June 2021, but in March 2021 this practical expedient extends to reduction in lease payments due on or before 30 June 2022.

Above amendments do not have any impact on the financial statements for the year.

4 APPLICATION OF NEW AND AMENDED IFRSs ISSUED BUT NOT EFFECTIVE FOR THE CURRENT YEAR

The following new IFRS / amendments to IFRSs were issued but not mandatorily effective for the current year.

* **IFRS 17 *Insurance Contracts* including amendments to IFRS 17** (*effective from 1 January 2023)*

* **Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investment in Associates and Joint Ventures*** - *Re: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

* **Amendments to IAS 1 *Presentation of Financial Statements*** – Re*: Classification of Liabilities as Current or Non-Current (effective from 1 January 2023)*

* **Amendments to IAS 16 *Property, Plant and Equipment*** – *Re: Proceeds before Intended Use* (*effective from 1 January 2022)*

* **Amendments to IAS** ***37 Provisions, Contingent Liabilities and Contingent Assets –*** *Re: Onerous Contracts – Cost of Fulfilling a Contract (effective from 1 January 2022)*

* **Amendments to IFRS 3 Business Combinations –** Re *reference to Conceptual Framework (effective 1 January 2022)*

* **Annual Improvements 2018-2020 Cycle** *(effective 1 January 2022)*

* ***Amendments to IAS 1 Presentation of Financial statements and IFRS Practice Statement 2 Making Materiality Judgments –*** *Re: Disclosure of Accounting Policies (effective 1 January 2023)*

* ***Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors –*** *Re: Definition of Accounting Estimates (effective 1 January 2023)*

* ***Amendment to IAS 12 Income Taxes –*** *Re: Deferred Tax related to Assets and liabilities arising from a Single Transaction (effective 1 January 2023)*

Changes introduced above are summarised as under:

IFRS 17 ***Insurance Contracts*** **including amendments to IFRS 17**

This is a new Standard and applies to: insurance contracts, including reinsurance contracts, issued by an entity with specified exceptions; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts. An insurance contract is defined as 'a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder'. The New Standard provides for the principles of recognition, measurement, presentation and disclosure of insurance contracts. The objective of the New Standard is to achieve the goal of a consistent principle based accounting for insurance contracts.

Amendments to IFRS 10 ***Consolidated Financial Statements*** **and IAS 28** ***Investment in Associates and Joint Ventures*** - Re*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Above amendments deal with accounting effects and treatment in situations where there is sale or contribution of assets between an investor and its associate or joint venture. Presently application of this amendment is indefinitely postponed.

Amendments to IAS 1 ***Presentation of Financial Statements*** - Re*: Classification of Liabilities as Current or Non-Current*

Above clarifies a criterion in IAS 1 *Presentation of Financial Statements* for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

Amendments to IAS 16 *Property, Plant and Equipment* - *Re: Proceeds before Intended Use*

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS *37 Provisions, Contingent Liabilities and Contingent Assets* - *Re: Onerous Contracts – Cost of Fulfilling a Contract*

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendments to IFRS 3 Business Combinations - Re *reference to Conceptual Framework*

The amendments :

-update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework

-add to IFRS 3 a requirement that for transactions within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 to identify the liabilities it has assumed in a business combination

-add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Annual Improvements 2018-2020 Cycle

The IASB has issued Annual Improvements to IFRS Standards 2018–2020. The pronouncement contains amendments to four IFRS Standards as result of the IASB's annual improvements project.

(a) Subsidiary as a First-time Adopter (Amendment to IFRS 1)

First-time Adoption of International Financial Reporting Standards allows subsidiaries that become a first time adopter later than its parent to measure its assets and liabilities at the carrying amounts that would be included in the parent's consolidated financial statements. The amendment extends this relief to the cumulative translation differences for all foreign operations [IFRS 1, para D16(a)].

(b) Fees in the '10 per cent' Test for Derecognition of Financial Liabilities **(Amendment to IFRS 9)**

IFRS 9 Financial Instruments requires an entity to derecognise a financial liability and recognise a new financial liability when there is an exchange between an existing borrower and the lender of debt instruments with substantially different terms (including a substantial modification of the terms of an existing financial liability or part of it). The terms are substantially different if the discounted present value of the remaining cash flows under the new terms are at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability ('10 per cent' test). The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

(c) Lease Incentives (Amendment to IFRS 16)

The amendment removes the illustration regarding reimbursement of leasehold improvements. No effective date is stated.

(d) Taxation in Fair Value Measurements (Amendment to IAS 41)

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

***Amendments to IAS 1 Presentation of Financial statements and IFRS Practice Statement 2 Making Materiality Judgments** – Re: Disclosure of Accounting Policies*

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy' information'. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions if immaterial need not be disclosed.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – *Re: Definition of Accounting Estimates*

The amendments replace the definition of ***change in accounting estimates*** with a definition of ***accounting estimates***. Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty". The definition of changes in accounting estimates in the standard was deleted. However, the concept of changes in accounting estimates is retained with the following clarifications:

-a change in accounting estimate that results from new information or new developments is not the correction of an error

-the effects of change in an input or a measurement technique used to develop an accounting estimates are changes in accounting estimates if they do not result from the correction of prior period errors.

Amendment to IAS 12 Income Taxes *– Re: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of deferred tax asset being subject to recoverability criteria in IAS 12.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact, on the financial statements of the Company in the period of initial application. The Company is evaluating effect of these new standards, interpretations and amendments on its financial statements.

5 **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

Except for the preparation of standalone financial statements as stated in Note 1.5, the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and applicable requirements of UAE laws. Significant accounting policies, adopted and applied consistently in dealing with items that are considered material in relation to these financial statements, are set out below.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention.

(b) Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company has control over an entity when (a) it has power over the entity, (b) it is exposed, or has rights, to variable returns from its involvement with the entity and (c) has the ability to use its power to affects its returns. All three criteria must be met for the Company to have control over an entity. Investments are accounted under the cost method as per IAS 27 para 10(a) less impairment losses and income from such investments is accounted when received. As stated in Note 1.5, the accounts of the subsidiary companies are not consolidated in these financial statements, since consolidation is done at the level of parent – Britannia Industries Limited, India and will also be separately prepared by the Company.

(c) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(d) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards thereto are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legal right to offset the amounts and intends to settle either on a net basis, or realise the asset and settle the liability simultaneously.

Classification and initial measurement of financial assets

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value plus transaction costs, where applicable.

Financial assets are classified into the following categories:

• amortised cost
• fair value through other comprehensive income (FVTOCI)
• fair value through profit or loss (FVTPL)

The Company decides the classification on initial recognition based on the cash flow characteristics of the financial instruments (viz. solely comprising of payments of interest and principal) and the business model for managing them (viz. collecting contractual cash flows, or selling them, or both).

Subsequent measurement of financial assets

(A) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

-they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

-the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is not material.

The Company's bank balances, loan receivable and deposit fall into this category of financial assets.

(B) ***Financial assets at fair value through other comprehensive income (FVTOCI)***

The Company accounts for financial assets at FVTOCI if the assets meet the following conditions:

-they are held under a business model whose objective is "hold to collect" the associated cash flows *and sell,* and

-the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled to profit or loss, upon derecognition of this financial asset.

The Company has the option of irrevocably classifying equity securities not held for trading, upon initial recognition at FVTOCI. However, in the case of derecognition of such equity securities, the profit or loss is not recycled to statement of profit or loss. Dividends can be recognised in profit or loss.

The Company has no financial asset held at FVTOCI.

(C) ***Financial assets at fair value through profit or loss (FVTPL)***

Financial assets that are held with a business model other than '*hold to collect*' or '*hold to collect and sell*' are categorised at fair value through profit or loss. These cover financial assets held for trading, or designated at FVTPL upon initial recognition or mandatorily required to be accounted at FVTPL such as derivatives (other than effective hedging instruments), and financial assets whose contractual cash flows are not solely payments of principal and interest.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Company has no financial asset held at FVTPL.

(D) ***Impairment of financial assets***

(i) *General impairment principles*

The Company considers a range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, future conditions that affect the expected collectability of the future cash flows of the instrument.

The Company recognises loss allowance for expected credit loss on financial assets that are measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, contract assets, loan commitment and financial guarantee contracts.

In applying this forward-looking approach, a distinction is made between:

-financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

-financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for Stage 1 category while 'lifetime expected credit losses' are recognised for the Stage 2 and Stage 3 categories.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Credit losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it actually expects to receive ('cash shortfalls'). This difference is discounted at the original effective interest rate.

IFRS 9 permits a simplified approach of using historical and forward-looking information to recognise loss allowance based on life time expected credit losses in respect of trade receivables and contract receivables which do not have significant financing component and lease receivables.

(ii) *Loan receivable*

This comprises of amount due from related enterprises and records the loss allowance if any as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

(iii) *Refer to Note 15.2 for information on credit risk and impairment analysis.*

(iv) *Classification and measurement of financial liabilities*

Financial liabilities are initially measured at fair value plus transaction costs, where applicable.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

The Company's financial liabilities include, due to banks and trade and other payables.

There were no financial liabilities classified at FVTPL.

(e) Equity

Capital is classified as equity since it evidences residual interest of the Shareholder after deducting liabilities. Profit distributed is deducted from the equity.

(f) Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets (investment in subsidiaries) are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is recognised in profit or loss.

(g) Revenue recognition

In accordance with IFRS 15, the Company recognizes revenue based on the consideration mentioned and/or expected in a contract with the customer, and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of goods or service to a customer. The Company also assesses if the revenue earned is as principal or agent.

Revenue is recognized in profit or loss to the extent that it is probable that the economic benefits will flow to the Company and the revenue and related costs can be measured reliably. If the consideration promised in a contract includes a variable amount (because of discounts, rebates, refunds, credits, price concession, incentives, performance bonuses, penalties or similar items) the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer, based either on the most likely amount or probability weighted expected value.

The Company recognises revenue from the following major sources, including the nature and timing of satisfying performance obligations in contracts with customers and other significant terms.

- Interest income is recognised on effective yield basis.

(h) Foreign currency transactions

Foreign currency transactions are recorded in USD at the approximate rate of exchange prevailing at the time of the transactions. Foreign currency balances of monetary assets and liabilities are translated to USD at the rate of exchange prevailing at the end of the reporting period. Gains or losses on exchange are recognised in profit or loss.

(i) Value added tax

Expenses and assets are recognised net of value added tax (VAT), except as under:

- If VAT incurred on purchase of assets or services is not recoverable from the Tax Authority, then VAT is recognised as part of the cost of acquisition of asset or as part of the expense item, as applicable
- Receivables and payables, stated in the statement of financial position, are inclusive of VAT.

(j) Current/Non-current classification

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

An asset is classified as current when the Company (a) expects to realize the asset, or intends to sell or consume it in its normal operating cycle; (b) holds the asset primarily for the purpose of trading or (c) expects to realize the asset within twelve months after the reporting period, or (d) has the asset as cash or cash equivalent unless the asset is 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 classified as current when the Company (a) expects to settle a liability in its normal operating cycle or (b) holds the liability primarily for the purpose of trading or (c) is due to settle the liability within twelve months after the reporting period, or (d) does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The management is of the opinion that there are no key sources of estimation uncertainty at the reporting date that have a significant effect on the amounts of assets and liabilities within the next financial year.

7 INVESTMENT IN SUBSIDIARIES

	2022	2021
Balance – beginning of the year	22,530,690	22,283,190
Addition during the year	247,500	247,500
Balance – end of the year	22,778,190	22,530,690

Investment made in the following Subsidiary Companies:

Name of the Company	Country of incorporation	Types of shares held	Percentage holding	2022	2021
Al Sallan Food Industries Co. SAOC	Oman	Ordinary	65.46% @	272	272
Strategic Foods International Company LLC	UAE	Ordinary	100%	12,553,563	12,553,563
Non Reciprocal Contribution To Strategic Foods International Company LLC +	UAE	-	-	5,449,592	5,449,592
Strategic Brands Holding Co. Ltd.	UAE	Ordinary	100%	4,279,763	4,279,763
Britannia Egypt LLC	Egypt	Ordinary	99% #	247,500	247,500
Strategic Foods Uganda Ltd	Uganda	Ordinary	99% @@	247,500	-
				22,778,190	22,530,690

The directors have reviewed the financial position and the performance of the above subsidiary companies and they are of the opinion that the estimated recoverable amounts of the investments are not less than their carrying amount.

+ This represents amount provided by the Company in the capacity of shareholder, being non reciprocal capital contribution, free of interest, unsecured and repayable entirely at the discretion of the Subsidiary Company.

@ In addition 28.06% held by Khimji family (the previous shareholders) for beneficial interest of the Company as per Shareholders Agreement dated 10 March 2009, effective from 28 June 2009. Balance 6.48% is held by the public.

1% of Britannia Egypt LLC Egypt, is held by Strategic Brands Holding Co. Ltd. (a subsidiary of the Company).

@@ 1% of Strategic Foods Uganda Ltd, Uganda is held by Strategic Brands Holding Co. Ltd (a subsidiary of the Company).

Following table summarises the financial information of Al Sallan Food Industries Co. SAOC in their financial statements:

	2022	2021
Summary statement of financial position :		
Non-current assets	5,120,058	5,679,836
Current assets	5,778,564	4,636,528
Total assets	10,898,622	10,316,364
Equity	(3,461,788)	(3,935,961)
Non-current liabilities	2,326,930	2,212,662
Current liabilities	12,033,480	12,039,663
Total equity and liabilities	10,898,622	10,316,364
Equity attributable:		
- To the Holding Company	(3,237,464)	(3,680,911)
- To the non-controlling interest	(224,324)	(255,050)
Summary statement of profit or loss and other comprehensive income :		
Revenue	23,967,931	27,433,280
Other income	2,556,313	42,167
Profit for the year	474,173	1,234,923
Other comprehensive income	-	-
Total comprehensive income for the year	474,173	1,234,923
Profit attributable:		
- To the Holding Company	443,447	1,154,900
- To the non-controlling interest	30,726	80,023

Following table summarises the financial information of Strategic Foods International Company LLC in their financial statements:

	2022	2021
Summary statement of financial position :		
Non-current assets	7,400,828	8,028,025
Current assets	23,390,084	18,455,241
Total assets	30,790,912	26,483,266
Equity	13,219,146	12,756,369
Non-current liabilities	1,442,830	1,291,115
Current liabilities	16,128,936	12,435,782
Total equity and liabilities	30,790,912	26,483,266
Equity attributable:		
- To the Holding Company	13,219,146	12,756,369
- To the non-controlling interest	-	-

Summary statement of profit or loss and other comprehensive income :

	2022	2021
Revenue	50,591,794	55,570,487
Other income	300,811	240,993
Profit for the year	462,777	4,261,576
Other comprehensive income	-	-
Total comprehensive income for the year	462,777	4,261,576
Profit attributable:		
- To the Holding Company	462,777	4,261,576
- To the non-controlling interest	-	-

Following table summarises the financial information of Strategic Brands Holding Co. Ltd. in their financial statements:

Summary statement of financial position :

Non-current assets	5,000	2,500
Current assets	681	681
Total assets	5,681	3,181
Equity	681	681
Non-current liabilities	-	-
Current liabilities	5,000	2,500
Total equity and liabilities	5,681	3,181
Equity attributable:		
- To the Holding Company	681	681
- To the non-controlling interest	-	-

Summary statement of profit or loss and other comprehensive income :

Revenue	-	-
Other income	-	-
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive Profit for the year	-	-
Profit attributable:		
- To the Holding Company	-	-
- To the non-controlling interest	-	-

Following table summarises the financial information of Britannia Egypt LLC, Egypt in their financial statements:

Summary statement of financial position :

	2022	2021
Non-current assets	-	-
Current assets	281,867	250,746
Total assets	281,867	250,746
Equity	234,505	235,952
Non-current liabilities	-	-
Current liabilities	47,362	14,794
Total equity and liabilities	281,867	250,746
Equity attributable:		
- To the Holding Company	232,160	233,592
- To the non-controlling interest	2,345	2,360

Summary statement of profit or loss and other comprehensive income :

Revenue	328,839	39,466
Other income	-	-
Profit for the year	37,209	11,888
Other comprehensive income	(38,656)	-
Total comprehensive (loss)/profit for the year	(1,447)	11,888
Profit attributable :		
- To the Holding Company	1,433	11,769
- To the non-controlling interest	14	119

Following table summarises the financial information of Strategic Foods Uganda Ltd, Uganda in their financial statements:

Summary statement of financial position :

	2022	2021
Non-current assets	-	-
Current assets	292,746	-
Total assets	292,746	-
Equity	238,298	-
Non-current liabilities	-	-
Current liabilities	54,448	-
Total equity and liabilities	292,746	-
Equity attributable:		
- To the Holding Company	289,819	-
- To the non-controlling interest	2,927	-

Summary statement of profit or loss and other comprehensive income :

Revenue	88,424	-
Other income	-	-
(Loss) for the year	(9,624)	-
Other comprehensive income	-	-
Total comprehensive (loss) for the year	(9,624)	-
(Loss) attributable :		
- To the Holding Company	(9,528)	-
- To the non-controlling interest	(96)	-

		2022	2021
8	**LOAN RECEIVABLE**		
	Loan to related enterprises +	8,000,000	8,000,000
	Balance – beginning of the year	8,000,000	11,000,000
	Less: Repaid during the year	-	(3,000,000)
	Balance – end of the year	8,000,000	8,000,000
	+ Represents loan due from		
	Strategic Foods International Co. LLC, Dubai	3,000,000	3,000,000
	Al Sallan Food Industries Co. SAOC, Oman	5,000,000	5,000,000
		8,000,000	8,000,000

+ Interest is accrued on the above @ 3.37% to 3.50% p.a. (previous year 3.49% to 4.94% p.a.)

Other classes within receivables do not include impaired assets.

The maximum amount of credit risk at the end of the reporting period is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

9	**BANK BALANCE**		
	Cash at bank – current accounts	53,417	80,656
10	**SHARE PREMIUM**		
	Balance – beginning/end of the year	199,730	199,730

In the financial year ended 2007 the Company issued its share capital at a premium of USD 1,997.30 per share.

		2022	2021
11	**PAYABLES**		
	Due to a related parties *	437,138	260,453
	Holding Company current account	16,558	71,259
	Accrued expenses	23,573	22,466
		477,269	354,178
	* Represent amount due to Strategic Foods International Co. LLC, Dubai (a related enterprise)	437,138	260,453
12	**DUE TO HOLDING COMPANY**		
	Due to Holding Company	8,000,000	8,000,000
	Balance – beginning of the year	8,000,000	11,000,000
	Less: Repaid during the year	-	(3,000,000)
	Balance – end of the year	8,000,000	8,000,000

@@ Unsecured, interest accrued at 1.32% to 1.58% p.a. (previous year 1.44% to 2.89% p.a.).

		2022	2021
13	**OTHER OPERATING EXPENSES**		
	Legal and professional fees	43,071	61,341
	Other expenses	23,569	9,527
		66,640	70,868

14 TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with related parties as defined in International Accounting Standard 24. Significant transactions with related parties are as under:

	2022	2021
Holding Company		
Interest expense	114,072	157,667
Subsidiaries		
Interest income	280,382	357,110

Terms of these transactions are approved by the Company's management.

Amounts outstanding (Notes 8, 11 and 12) are unsecured and will be settled in the normal course of business.

15 FINANCIAL INSTRUMENTS-RISK MANAGEMENT

The Company's activities are subject to variety of financial risks: market risk (principally currency risks and interest rate risks), credit risk and liquidity risk. The Company seeks to minimise the potential adverse effects of these risks on the financial performance.

15.1 Market risk

Currency risks

Substantial portion of the transactions are designated in USD and in AED whose rate is fixed to USD; hence, there is no material exchange rate risk.

At the end of the reporting period, since there was no material exposure to currencies other than USD currencies, profit for the year is not materially sensitive to currency risks.

Interest rate risk

For interest received on term loan to subsidiaries, see Note 8. At the end of the reporting period if the interest rate on such assets increased/decreased by 1% with all other variables held constant profit for the year would have been higher/lower by USD 80,000 (previous year profit would have been higher/lower by USD 80,000).

For interest paid on long term loan and other advances from Holding Company, see Notes 12. At the end of the reporting period, if the interest rate on such liabilities is increased/decreased by 1%, with all other variables held constant, profit for the year would have been lower/higher by USD 80,000 (previous year profit would have been lower/higher by USD 80,000).

15.2 Credit risk

Financial assets which potentially subject the Company to concentration of credit risk consist principally of bank balances and receivable from related enterprises. Bank balances are with regulated financial institutions. Amounts due from related enterprises are based in UAE and Oman and are considered recoverable by the management in the ordinary course of business, and hence no impairment provision is considered necessary under expected credit loss.

15.3 Liquidity risks

Liquidity management implies generating adequate cash from operations to meet the Company's liabilities, and availability of funding through committed credit facilities and own sources. The table below analyses the Company's financial liabilities based on the remaining year at the end of the reporting period to the contracted maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

	< than 6 months	>6 months and <1 year	>1 year and <5 years	>5 years
At 31 March 2022				
Payables	477,269	-	-	-
Due to Holding Company	4,000,000	4,000,000	-	-
At 31 March 2021				
Payables	354,178	-	-	-
Due to Holding Company	4,000,000	4,000,000	-	-

15.4 Fair values

At the end of the reporting period, the carrying amounts of financial assets and financial liabilities approximated their fair values.

16 **CAPITAL RISK MANAGEMENT**

The Company's objective is to maintain healthy capital ratios to support its business and provide adequate returns to the owners and other stakeholders.

The Company monitors capital on the basis of gearing ratio. This ratio is calculated as Net debt ÷ Total own funds. Net debt is calculated as total liabilities less bank balance. Total own funds comprise of capital, share premium less accumulated loss.

The gearing ratio at the end of the reporting period were as under (not meaningful in view of deficit in equity):

	2022	2021
Total liabilities	8,477,269	8,354,178
Less: Bank balance	(53,417)	(80,656)
Net debt	8,423,852	8,273,522
Total in equity	23,360,019	22,260,349
Gearing ratio	36%	37%
of the total liabilities, % owed to Holdings Company	94.56%	96.61%

17 **CONTINGENCIES AND COMMITMENTS**	Nil	Nil

18 **COVID-19 EFFECTS**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets, and the adequacy of provision for possible liabilities. This is an ongoing exercise since the pandemic is not likely to end in the near future.

19 **PREVIOUS YEAR'S FIGURES**

Figures of the previous year have been regrouped/reclassified whenever necessary to conform the current year's presentation.

For Independent Auditors' Report, see pages 3 – 6