Tek Travels DMCC

Consolidated financial statements
for the year ended 31 March 2021

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Independent auditor's report to the shareholder of Tek Travels DMCC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tek Travels DMCC (the "Company") and its subsidiaries (together the "Group") as at 31 March 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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Mohamed ElBorno, Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Independent auditor's report to the shareholder of Tek Travels DMCC (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report to the shareholder of Tek Travels DMCC (continued)

Report on other legal and regulatory requirements

Further, as required by the Dubai Multi Commodities Centre Authority (DMCCA) Company Regulations of 2020 (the "Regulation"), we report that:

(a) the consolidated financial statements of the Group comply, in all material respects, with the applicable provisions of the Regulation.

(b) based on the information that has been made available to us during our audit of the consolidated financial statements of the Group for the year ended 31 March 2021, nothing has come to our attention which causes us to believe that the activities undertaken by the Company and as disclosed in note 1 to these consolidated financial statements, in all material respects, differ from the activities permitted under the License issued to the Company by DMCCA.

PricewaterhouseCoopers
23 September 2021

Jacques Fakhoury
Registered Auditor Number 379
Dubai, United Arab Emirates

Tek Travels DMCC

Consolidated statement of financial position

	Note	As at 31 March 2021 AED	2020 AED
ASSETS			
Non-current assets			
Property and equipment	5	180,941	280,664
Intangible assets	6	1,568,245	489,545
Investments		11,779	7,500
		1,760,965	777,709
Current assets			
Trade and other receivables	7	49,626,893	122,357,144
Due from a related party	8	3,906,243	-
Cash and bank balances	9	44,914,542	43,555,009
		98,447,678	165,912,153
Total assets		100,208,643	166,689,862
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital	11	9,100,000	9,100,000
Retained earnings		11,978,791	33,490,723
Translation reserve		(732,960)	(638,587)
Total equity		20,345,831	41,952,136
LIABILITIES			
Non-current liability			
Provision for employees' end of service benefits	12	1,174,101	968,311
Current liabilities			
Trade and other payables	13	78,688,711	118,601,058
Due to a related party	8	-	5,168,357
		78,688,711	123,769,415
Total liabilities		79,862,812	124,737,726
Total equity and liabilities		100,208,643	166,689,862

The consolidated financial statements were approved and authorised for issue by the board of directors on 23 September 2021 and signed on its behalf by:

Gaurav Bhatnagar
....
Director

Vembathy Krishnamurthy Balaji
....
Director

Tek Travels DMCC

Consolidated statement of comprehensive income

	Note	Year ended 31 March 2021 AED	2020 AED
Revenue	14	23,189,169	111,994,572
Cost of sales		(6,453,414)	(38,460,705)
Gross profit		16,735,755	73,533,867
Other income		3,651,030	2,006,534
Expenses			
General and administrative	15	(26,071,994)	(54,213,199)
Increase in loss allowance on trade receivables	7	(1,175,748)	(3,323,594)
Exceptional expense	7	(14,693,285)	-
(Loss) / profit for the year		(21,554,242)	18,003,608
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on employees' end of service benefit obligations	12	42,310	-
Items that may be reclassified to profit and loss			
Currency translation differences		(94,373)	(510,418)
Other comprehensive income / (loss) for the year		(52,063)	(510,418)
Total comprehensive (loss) / income for the year		(21,606,305)	17,493,190

The notes on pages 8 to 29 form an integral part of these consolidated financial statements.

Tek Travels DMCC

Consolidated statement of changes in equity

	Share capital AED	Retained earnings AED	Translation reserve AED	Total equity AED
At 1 April 2019	9,100,000	15,487,115	(128,169)	24,458,946
Total comprehensive income				
Profit for the year	-	18,003,608	-	18,003,608
Other comprehensive loss	-	-	(510,418)	(510,418)
At 31 March 2020	9,100,000	33,490,723	(638,587)	41,952,136
Total comprehensive income				
Loss for the year	-	(21,554,242)	-	(21,554,242)
Other comprehensive income	-	42,310	(94,373)	(52,063)
At 31 March 2021	9,100,000	11,978,791	(732,960)	20,345,831

Tek Travels DMCC

Consolidated statement of cash flows

	Note	Year ended 31 March 2021 AED	2020 AED
Cash flows from operating activities			
(Loss) / profit for the year		(21,554,242)	18,003,608
Adjustments for:			
Depreciation of property and equipment	5	160,325	178,489
Amortisation of intangibles	6	35,950	794
Provision for employees' end of service benefits	12	325,365	261,257
Exceptional expense	7	14,693,285	-
Increase in loss allowance on financial assets	7	1,175,748	3,323,594
Operating cash flows before payment of employees' end of service benefits and changes in working capital		(5,163,569)	21,767,742
Payment of employees' end of service benefits	12	(77,265)	(210,663)
Changes in working capital:			
Trade and other receivables before movement in loss allowance		56,861,218	(6,472,673)
Due from a related party		(3,906,243)	4,937,580
Due to a related party		(5,168,357)	5,168,357
Trade and other payables		(39,912,347)	(20,886,845)
Net cash generated from operating activities		2,633,437	4,303,498
Cash flows from investing activities			
Purchase of property and equipment	5	(58,640)	(189,976)
Purchase of intangibles	6	(1,114,650)	(488,607)
Deposits placed during the year		(812,414)	(298,725)
Investments		(4,279)	-
Net cash used in investing activities		(1,989,983)	(977,308)
Net increase in cash and cash equivalents		645,785	3,326,190
Currency translation differences		(96,335)	(515,337)
Cash and cash equivalents, beginning of the year	9	41,419,834	38,608,981
Cash and cash equivalents, end of the year	9	41,966,953	41,419,834

1 General information

Tek Travels DMCC ("the Company") is a limited liability company established in Jumeirah Lake Towers under the provisions of Dubai Multi Commodities Centre Authority (DMCCA) laws and regulations. The Company is a wholly owned subsidiary of Tek Travels Private Limited ("the parent company") based in India.

These consolidated financial statements relate to the Company and its subsidiaries (together referred to as "the Group").

The Group is primarily engaged in the business activity of e-marketplace service provider (DMCC), inbound and outbound tour operations and software solutions. The principal activities are consistent with the activities permitted under the license issued to the Company by DMCCA.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretation Committee ("IFRS IC") applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their reporting period commencing from 1 April 2020:

- Definition of Material – amendments to IAS 1 and IAS 8;
- Definition of Business – amendments to IFRS 3; and
- Revised Conceptual Framework for Financial Reporting.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to affect the current or future periods.

There are no other IFRSs or IFRIC interpretations that are effective and would be expected to have a material impact on the consolidated financial statements of the Group.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New standards and amendments not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 Mach 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

A listing of Group subsidiaries is set out in Note 18.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the respective entity operates (“the functional currency”). The consolidated financial statements are presented in the United Arab Emirates Dirham (“AED”) which is the Company’s functional and the Group’s presentation currency.

2 Summary of significant accounting policies (continued)

2.3 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the end of month, which closely approximates the rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within profit and loss in the consolidated statement of comprehensive income.

(c) Group companies

The results and financial positions of all the subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates during the financial year; and
(iii) all resulting exchange differences are recognised as other comprehensive income and are presented as a separate component of equity called “translation reserve”.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to equity attributable to the owners of the parent. When a foreign operation is sold, the associated exchange differences that were recorded in equity are reclassified to the consolidated statement of comprehensive income as part of the gain or loss on sale.

2.4 Property and equipment

All items of property and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance cost are charged within profit and loss in the consolidated statement of comprehensive income during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of assets less their estimated residual value over their estimated useful lives, as follows:

	Years
Furniture and fixtures	3
Motor vehicles	3
Computers	3
Office equipment	3

2 Summary of significant accounting policies (continued)

2.4 Property and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within profit and loss in the consolidated statement of comprehensive income.

2.5 Intangible assets

Computer software

Acquired computer software costs recognised as assets are amortised over their estimated useful lives, which do not exceed three years.

Website and domain name

Costs associated with purchase of domain name is shown at historical cost less accumulated amortisation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work-in-progress is stated at cost and includes website development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group. Development costs are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the website so that it will be available for use;
- management intends to complete the website development and use it;
- there is an ability to use the website;
- it can be demonstrated how the website will generated probable future economic benefits;
- adequate technical, financial and other resources to complete the development and use the website are available; and
- the expenditure attributable to the website during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the website development include employee costs and appropriate portion of relevant overheads. Development cost will be transferred to appropriate category of intangibles and will be amortised from the point at which the asset is ready for use.

Amortisation of website development cost and domain name is calculated using the straight-line method to allocate the cost of assets less their estimated residual value over their estimated useful life of five years.

2.6 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use.

2 Summary of significant accounting policies (continued)

2.6 Impairment of non-financial assets (continued)

For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (“cash generating units”).

Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each consolidated statement of financial position date.

2.7 Financial assets

(a) Classification

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Management determines the classification of its investment at initial recognition.

(b) Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset.

The Group classifies its financial assets in the following category:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented with foreign exchange gains and losses.

2 Summary of significant accounting policies (continued)

2.7 Financial assets (continued)

(d) Impairment

The Group has the following significant types of financial assets that are subject to IFRS 9's expected credit loss (ECL) model:

- Trade and other receivables (excluding prepayments);
- Due from a related party; and
- Cash and cash equivalents

The Group assesses on a forward-looking basis the expected credit losses associated with its financial instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance to be recognised from initial recognition for all the financial assets at amortised costs. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.9 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection is expected in one year or less (or in the normal operating cycle of the business if longer) from the consolidated statement of financial position, they are classified as current assets. If not, they are presented as non-current assets.

2.10 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances in current accounts and deposits with original maturity of less than or equal to three months

2.11 Share capital

Ordinary shares are classified as equity.

2 Summary of significant accounting policies (continued)

2.12 Employee benefits

(a) Provision for employees' end of service benefits

The liability recognised in the consolidated statement of financial position in respect of the employees' end of service benefits is the present value of the defined benefit obligation at the end of the reporting date together with adjustments for the unrecognised past-service costs. The defined benefit obligation is calculated annually by an independent actuary using projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the consolidated statement of comprehensive income.

(b) Annual leave entitlement

A provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the consolidated statement of financial position date. This provision is included in other payables as a current liability.

2.13 Trade and other payables

These represents liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) after the consolidated statement of financial position date. If not, they are presented as non-current liabilities.

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

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 Summary of significant accounting policies (continued)

2.14 Provisions (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as an interest expense.

2.15 Exceptional expense

Exceptional expense is a one off provision created against other receivable balance of the Group due to an increase in credit risk of receivable from a service provider. It is considered to be an unusual event as there is no history of such instance of elevated credit risk arising from other receivables. Accordingly, it has been presented separately on the face of the consolidated statement of comprehensive income.

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities, taking into account contractually defined terms to determine if the Group is acting as a principal or agent. The Group has concluded that it is acting as an agent in all its revenue arrangements as the Group primarily serves as a facilitator by matching customer demand with suppliers of accommodation and travel vendors and that these vendors are ultimately responsible for providing the services. Revenue is shown net of discounts, provision for cancellation of bookings and after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised:

i. Identify the contract(s) with a customer: 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.

ii. 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.

iii. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

2 Summary of significant accounting policies (continued)

2.16 Revenue recognition (continued)

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Group has concluded that for all of its revenue arrangements none of the above conditions are satisfied therefore, it recognises revenue at the point in time at which the performance obligation is satisfied.

The Group recognises revenue in accordance with 5 step model, as specified above, at a point in time when specific criteria have been met for each of the Group's activities as described below:

(a) Commission income

Commission income primarily include commissions from hotel reservations, air ticket booking and related services. Revenue from commission income is recognised at the point in time when the booking is confirmed by the agent. Commission income is based on the price specified in the contracts, net of the provision for cancellation of bookings based on historical cancellation trends and forward looking factors.

(b) Performance linked benefits

It represents incentive earned from the suppliers based on purchase volumes agreed under the commercial contract with the supplier. It is recognised at a point in time when the Group achieves the agreed target and incentive becomes due under the contract.

(c) Cash back income

Cash back income is directly linked to its e-market services and represents incentive earned from credit card issuer on usage of credit cards for making payments for hotel bookings. It is recognised at a point in time when the payment is made using the credit card in accordance with the terms of agreement with the credit card issuer.

2.17 Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use and asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

a) there is an identified asset;
b) the Group obtains substantially all the economic benefits from use of the asset; and
c) the Group has the right to direct use of the asset.

2 Summary of significant accounting policies (continued)

2.17 Leases (continued)

The Group considers whether the lessor has substantive substitution rights. If the lessor does have those rights the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

All leases are accounted for by recognising a right of use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group's leases represent lease of property that is area obtained for office premises under leasing arrangement for a lease term of 12 months. Payments associated with lease are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Group's measurement currency.

At the reporting date, AED equivalents of the Group's foreign currency assets and liabilities was as follows:

	USD	SAR	ZAR	INR	GBP	Others*
At 31 March 2021						
Total assets	73,534,503	-	157,536	-	717,848	5,468,915
Total liabilities	(27,459,552)	(8,418,697)	(5,311,794)	(2,469,273)	(2,449,589)	(14,636,595)
	46,074,951	(8,418,697)	(5,154,258)	(2,469,273)	(1,731,741)	(9,167,680)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

	USD	SAR	ZAR	INR	GBP	Others*
At 31 March 2020						
Total assets	108,558,808	3,558	7,604,015	-	2,845,816	11,396,018
Total liabilities	(58,887,703)	(6,804,739)	(235,500)	(7,277,563)	(1,717,885)	(13,696,693)
	49,671,105	(6,801,181)	7,368,515	(7,277,563)	1,127,931	(2,300,675)

*Other currencies include Brazilian Real, , Euro, Australian Dollar, Indonesian Rupiah, Canadian Dollar, Chinese Yuan, Malaysian Ringgit, Mexican Peso, amongst others, which do not have fixed parity with AED.

The Group is exposed to foreign exchange risk arising from South African Rand (ZAR), Indian Rupee (INR), Pound Sterling (GBP) and others as disclosed above. The transactions denominated in United States Dollar (USD) and Saudi Riyals (SAR) are not subject to foreign currency risk as these currencies have fixed parity with the AED.

Sensitivity analysis

At 31 March 2021, if AED had weakened/strengthened by 5% against all the above mentioned currencies excluding USD and SAR, with all other variables held constant, loss for the year would have been AED 926,148 higher/lower (2020: profit for the year would have been AED 54,090 lower/higher), mainly as a result of foreign exchange impact on translation of foreign currency denominated financial assets and financial liabilities.

(ii) Price risk

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

The Group is not exposed to price risk as it has no significant price sensitive financial instruments.

(iii) Cash flow and fair value interest rate risk

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

The Group has no significant interest bearing assets or liabilities and therefore the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from bank balances as well as credit exposures to customers, including outstanding receivables and committed transactions.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group limits its credit risk with respect to bank deposits and balances by only dealing with reputable banks and with respect to related party balances by continuously monitoring outstanding balances through the parties involved.

The Group is exposed to credit risk on its financial assets as follows:

	2021 AED	2020 AED
Trade and other receivables (excluding prepayments)	49,259,104	121,572,744
Due from a related party (Note 8)	3,906,243	-
Bank balances	40,716,757	42,697,758
	108,575,389	164,270,502

Trade receivables are largely secured against bank guarantees and security deposits received from the customers and from credit insurance taken against it. The unsecured receivables are managed through continuously monitoring the creditworthiness of the customers to which the Group grants credit terms in the normal course of business. The Group's customers typically do not have external credit ratings.

The Group has well defined trade and non-trade transactions with related parties. Non-trade transactions entail pre-approval by both parties prior to execution of the transactions with the related parties. The balances are reconciled monthly with the related parties through intercompany reconciliation and confirmations. Since these balances are with entities under the common control of the shareholder, management believes there is no significant credit risk in relation to these balances.

Bank deposits and balances are limited to high-credit-quality financial institutions and bank ratings are reviewed on an annual basis. Management expects any credit losses from non-performance by these counterparties would be insignificant. The credit quality of the financial assets held with banks can be assessed by reference to external credit ratings as follows:

Counterparty rating (Moody's)	2021 AED	2020 AED
A1	27,566,106	30,030,819
A3	148,764	165,551
Aa1	1,233,860	128,724
Aa3	10,103,665	11,645,942
Ba1	154,577	-
Ba2	89,560	490,463
Baa1	1,420,225	236,259
	40,716,757	42,697,758

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

At 31 March 2021 and 2020, all contractual cash flows of financial liabilities have the maturity of less than 12 months from the consolidated statement of financial position date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is ungeared as at 31 March 2021 and 2020, since it does not have any borrowings.

3.3 Fair value estimation

The fair values of the Group's financial assets and liabilities as at 31 March 2021 and 2020 approximate their carrying amounts as reflected in these consolidated financial statements.

4 Critical accounting estimates and judgements

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(i) Calculation of loss allowance

The Group assesses the impairment of its financial assets based on ECL model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since the initial recognition of the financial asset. The Group measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments.

4 Critical accounting estimates and judgements

(i) Calculation of loss allowance (continued)

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(ii) Performance linked benefits

The recognition of performance linked benefits from suppliers require judgement based on contracts with the suppliers and past experience. These benefits are calculated based on the volume of transaction contracted for the period. Differences may arise between the amounts accrued and the actual amounts paid or received.

5 Property and equipment

	Furniture and fixtures AED	**Motor vehicles** AED	**Computers** AED	**Office equipment** AED	**Total** AED
Cost					
At 1 April 2019	68,505	132,750	436,998	152,810	791,063
Additions	7,365	-	160,936	21,675	189,976
At 31 March 2020	75,870	132,750	597,934	174,485	981,039
Additions	-	-	52,624	6,016	58,640
Disposals	-	-	(2,331)	-	(2,331)
At 31 March 2021	75,870	132,750	648,227	180,501	1,037,348
Accumulated depreciation					
At 1 April 2019	44,891	132,750	248,582	100,582	526,805
Charge for the year	11,503	-	136,194	30,792	178,489
Impact of foreign currency translation	-	-	(4,140)	(779)	(4,919)
At 31 March 2020	56,394	132,750	380,636	130,595	700,375
Charge for the year	11,199	-	122,132	26,994	160,325
Disposals	-	-	(2,331)	-	(2,331)
Impact of foreign currency translation	-	-	(1,695)	(267)	(1,962)
At 31 March 2021	67,593	132,750	498,742	157,322	856,407
Net book value					
At 31 March 2021	8,277	-	149,485	23,179	180,941
At 31 March 2020	19,476	-	217,298	43,890	280,664

6 Intangible assets

	Computed software AED	Website and domain name AED	Capital work in progress AED	Total AED
Cost				
At 1 April 2019	2,310	-	-	2,310
Additions	-	-	488,607	488,607
At 31 March 2020	2,310	-	488,607	490,917
Additions	-	704,078	410,572	1,114,650
At 31 March 2021	2,310	704,078	899,179	1,605,567
Accumulated amortisation				
At 1 April 2019	578	-	-	578
Charge for the year	794	-	-	794
At 31 March 2020	1,372	-	-	1,372
Charge for the year	746	35,204	-	35,950
At 31 March 2021	2,118	35,204	-	37,322
Net book value				
At 31 March 2021	192	668,874	899,179	1,568,245
At 31 March 2020	938	488,607	488,607	489,545

7 Trade and other receivables

	2021 AED	2020 AED
Trade receivables	44,615,406	89,637,975
Less: loss allowance on trade receivables	(5,685,710)	(6,367,960)
	38,929,696	83,270,015
Deposits	5,944,490	21,838,961
Prepayments	367,789	784,400
Other receivables	19,078,203	16,463,768
Less: loss allowance on other receivables	(14,693,285)	-
	49,626,893	122,357,144

Trade receivables relate to a number of independent customers for whom there is no recent history of default. The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivable. The Group holds bank guarantees and security deposits received from the customers as security against these receivables together with credit insurance taken against these receivables by the Group.

The ageing analysis of these trade receivables is as follows:

	2021 AED	2020 AED
Less than 6 months	36,284,832	84,758,905
More than 6 months	8,330,574	4,879,070
	44,615,406	89,637,975

7 Trade and other receivables (continued)

With respect to unsecured receivables, the Group has applied IFRS 9 simplified approach to measure expected credit losses on these unsecured trade receivables which is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking factors at the end of each reporting period, such as future economic conditions of the territories where the customers are domiciled. On above basis, the loss allowance as at 31 March 2021 ranges from 1.7% to 100% (2020: 2% to 100%).

With respect to the deposits and other receivables, the Group has assessed the impairment provision as per IFRS 9 expected credit loss model and based on the assessment performed, the provision for impairment in this regard was insignificant. However, as at year end, one of the other receivable balance has been identified as having a significantly elevated credit risk and a one off specific provision of AED 14,693,285 has been recorded in this regard and disclosed as 'extra ordinary expense' on the face of consolidated statement of comprehensive income.

Movement in the Group's loss allowance of trade receivables and other receivables is as follows:

	2021 AED	2020 AED
At 1 April	6,367,960	3,273,661
Increase in loss allowance on trade receivables	1,175,748	3,323,594
Increase in loss allowance on other receivables	14,693,285	-
Trade receivables written off	(1,857,998)	(229,295)
At 31 March	20,378,995	6,367,960

8 Related party transactions and balances

Related parties include the parent company and its shareholders, key management personnel, directors and businesses which are controlled directly or indirectly by them or over which they exercise significant management influence ("affiliates").

Transactions with related parties

During the year, the Group entered into the following significant transactions with related parties in the ordinary course of business. These transactions were carried out at mutually agreed terms and rates.

	2021 AED	2020 AED
Business support services expense	2,456,899	4,210,679
Commission expense	742,328	4,245,613
Rent charged by related parties	155,421	-
Software license fees (Note 15)	296,785	1,633,704
Key management compensation		
Short term benefits	418,636	999,081

Provision for end of service benefits is not considered since the provision is based on actuarial valuation for the Group's end of service benefits as a whole.

8 Related party transactions and balances (continued)

Balances with related parties

Amounts due from and due to related parties represent balances arising from trading transactions and services provided/received in the normal course of business.

	2021 AED	2020 AED
Due from a related party		
Tek Travels Private Limited (parent company)	3,906,243	-
Due to a related party		
Tek Travels Private Limited (parent company)	-	5,168,357

9 Cash and cash equivalents

	2021 AED	2020 AED
Balances with banks		
- in current accounts	34,764,819	40,562,583
- in fixed deposits*	5,951,938	2,135,175
Cash in transit	4,197,785	857,251
Cash and bank balances	44,914,542	43,555,009
Less: fixed deposits with original maturity of more than 3 months and less than 12 months	(2,947,589)	(2,135,175)
Cash and cash equivalents as per consolidated statement of cash flows	41,966,953	41,419,834

*Includes deposits amounting to AED 2,951,938 (2020: AED 2,135,175) placed with Standard Chartered Bank as bank guarantee for the suppliers.

10 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2021 AED	2020 AED
Financial assets - at amortised cost		
Trade and other receivables (excluding prepayments)	49,259,104	121,572,744
Due from a related party (Note 8)	3,906,243	-
Cash and bank balances (Note 9)	44,914,542	43,555,009
	98,079,889	165,127,753
Financial liabilities - at amortised cost		
Trade and other payables (excluding advances)	60,288,148	92,100,289
Due to a related party (Note 8)	-	5,168,357
	60,288,148	97,268,646

11 Share capital

The share capital of the Company comprises 9,100 (2020: 9,100) authorised, issued and fully paid up shares of AED 1,000 each.

12 Provision for employees' end of service benefits

	2021 AED	2020 AED
At 1 April	968,311	917,717
Charge for the year (Note 16)	325,365	261,257
Actuarial gain on employees' end of service benefits	(42,310)	-
Payments made during the year	(77,265)	(210,663)
At 31 March	1,174,101	968,311

Amounts recognised in the consolidated statement of comprehensive income are as follows:

	2021 AED	2020 AED
Service cost	300,669	261,257
Interest cost	24,696	-
Total amount recognised in profit or loss	325,365	261,257
Remeasurement gain		
Gain from changes in financial assumptions	40,259	-
Experience adjustment gain	2,051	-
Total amount recognised in other comprehensive income	42,310	-

The principal assumptions were as follows:

	2021 AED	2020 AED
Weighted average assumptions used to determine obligation are:		
Discount rate	2.34%	1.29%
Rate of compensation increase	5%	5%

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 March 2021, using the projected unit credit method, in respect of employees' end of service payable under the applicable laws of the country in which the subsidiaries of the Group are incorporated. The present value of the obligations at 31 March 2021 and 2020, using actuarial assumptions, was not materially different from the provision computed in accordance with the applicable laws of the country in which the subsidiaries of the Group are incorporated.

12 Provision for employees' end of service benefits (continued)

The rate used to discount liability obligations should be determined by reference to market yields at the consolidated statement of financial position date on high quality corporate bonds. In countries where there is no "deep market in such bond", market yields on government bonds should be used instead. As there is no deep market in corporate bonds within the GCC region and the very few bonds issued by governments do not provide an adequate reference, the management relied on the US AA-rated corporate bond market as a proxy for determining the discount rate.

13 Trade and other payables

	2021 AED	2020 AED
Trade payables	44,374,280	70,328,970
Advances from customers	18,400,560	26,500,769
Customer deposits	3,960,651	4,766,418
Accrued expenses and other payables	11,953,220	17,004,901
	78,688,711	118,601,058

14 Revenue

	2021 AED	2020 AED
Commission income	14,402,161	51,694,532
Performance linked benefits	6,120,931	53,643,482
Cash back income	2,234,975	5,231,501
Others	431,102	1,425,057
	23,189,169	111,994,572

15 General and administrative expenses

	2021 AED	2020 AED
Business support services	10,846,489	17,395,082
Staff cost (Note 16)	7,482,999	15,909,526
Legal and professional fees	4,014,614	3,488,691
Bank charges	999,605	3,891,381
Insurance	880,682	1,642,162
Communication and utility	393,660	972,740
Rent and license	319,630	417,582
Software license fees (Note 8)	296,785	1,633,704
Marketing expenses	235,685	3,996,822
Travel and conveyance	101,043	2,776,755
Depreciation of property and equipment (Note 5)	160,325	178,489
Amortisation (Note 6)	35,950	794
Supplier advances written off	36,450	1,083,859
Others	268,077	825,612
	26,071,994	54,213,199

16 Staff costs

	2021 AED	2020 AED
Salaries and allowances	6,401,212	14,293,766
Employees' end of service benefits (Note 12)	325,365	261,257
Other staff costs	756,422	1,354,503
	7,482,999	15,909,526

17 Commitments

Capital commitments of AED 3,186,775 are outstanding as at 31 March 20201 relating to ongoing work for the development of website portal by the Parent Company.

18 Group subsidiaries

Subsidiaries that are consolidated in these financial statements are as follows:

Name of the company	Place of incorporation	Principal activity	Control % 2021	Control % 2020
1. TBO Holidays Brasil Agencia De Viagens E Reservas LTDA	Brazil	Business support services.	100	100
2. TBO Holidays Hongkong Limited	Hong Kong	Business support services.	100	100
3. TBO Holidays Europe B.V.	Netherlands	Online travel booking and business support services.	100	100
4. TBO Holidays PTE Ltd	Singapore	Business support services.	100	100
5. TBO Holidays Malaysia Sdn. Bhd.	Malaysia	Business support services	100	100
6. Travel Boutique Online S.A. De C.V.	Mexico	Business support services	100	100
7. TBO Technology Services DMCC	Dubai	Online travel booking and business support services	100	100
8. TBO Technology Consulting Shanghai Co., Ltd	China	Business support services	100	100

18 Group subsidiaries (continued)

Name of the company	Place of incorporation	Principal activity	Control % 2021	Control % 2020
9. Tek Travels Arabia for Travel and Tourism (Single Person Co)*	Kingdom of Saudi Arabia	Online travel booking and business support services	100	-
10. TBO LLC*	United States of America	Business support services	100	-

*The subsidiaries have been legally set-up, but they are not operational as at year end and share capital has not been induced in these companies as at 31 March 2021.

19 Impact of COVID-19 pandemic

The existence of the novel coronavirus (COVID-19) was confirmed in early 2020 and was subsequently declared a pandemic by the World Health Organisation. Measures taken to contain and slow the spread of the virus have significantly impacted global economic activity as it necessitated global travel restrictions and lockdown measures in most countries of the world between February and May 2020 which in turn have impacted the travel and tourism industry and therefore, the performance of the Group. Due to the unprecedented adverse effect of the lockdown on the global economy and some success in the efforts to flatten the infection curve, many countries started to gradually ease the lock down restrictions and open up for movement of people starting May 2020 onwards in a restricted way.

Based on the assessment of COVID-19 impact on its business, the Group has assessed the impact on its consolidated financial position and performance including the major judgements, estimates and assumptions, which could result in greater variability in the area that depends on the estimate, as given below:

Business continuity planning

The Group has a business continuity plan to ensure the safe and stable continuation of its business operations as well as the safety of its employees and customers. The Group has also introduced proactive comprehensive measures to address and mitigate key operational and financial issues arising from the current situation. The Group monitors the COVID-19 situation and takes timely decisions to resolve any concerns.

Liquidity management and going concern assessment

Economic stress in the markets brought on by the COVID-19 crisis is being felt globally through lack of liquidity in the markets. In this environment, the Group has introduced proactive comprehensive measures to address and mitigate key financial issues arising from the current situation, including compensating cost saving measures and reductions to discretionary capital or advertisement expenditure. The Group has already taken measures to manage its liquidity carefully by implementing various controls in the ‘treasury process’ in order to satisfy its working capital needs, capital expenditure and other liquidity requirements associated with its existing operations. The Group has been closely monitoring the cash flows and forecasts on a weekly basis.

19 Impact of COVID-19 pandemic (continued)

Liquidity management and going concern assessment (continued)

Further, in response to this crisis, the Group continues to monitor and respond to all liquidity and funding requirements through its plan reflecting the current economic scenarios. The Group believes that, as at 31 March 2021, liquidity position of the Group remains strong and its existing balance of cash and cash equivalents and available credit facilities will be sufficient to satisfy its working capital needs, capital expenditures and other liquidity requirements associated with its existing operations. Accordingly, as of the date of approval of these consolidated financial statements, the Group does not have any risk of going concern.

Loss allowance on financial assets

The Group assesses the impairment of its financial assets carried at amortised cost based on the expected credit loss (‘ECL’) model. The ECL model was reassessed for the impact of COVID-19, mainly the operational disruption faced by the customers, which may likely lead to increase in the ECL allowance for trade receivables. Further, based on the Group’s continuous monitoring of financial condition of its customers, it expects to see greater non-payments from some of its customers due to financial distress and therefore have created specific provisions against these high credit risk customers.

The impact of COVID-19 continues to evolve, hence the effects of COVID-19 may not be fully reflected in the Group’s financial results until future periods. The Group is taking proactive measures to monitor and manage the situation to the best of its abilities to support the long-term continuity of its business.