Tek Travels DMCC

Consolidated financial statements
for the year ended 31 March 2022

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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 2022, 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 2022;
- 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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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 2022, nothing has come to our attention which causes us to believe that the activities undertaken by the Group 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
8 June 2022

Jacques Fakhoury
Registered Auditor Number 379
Dubai, United Arab Emirates

Tek Travels DMCC

Consolidated statement of financial position

	Note	As at 31 March 2022 AED	2021 AED
ASSETS			
Non-current assets			
Property and equipment	5	942,573	180,941
Intangible assets	6	8,481,710	1,568,245
Investments in joint ventures accounted for using equity method	19	23,680	-
Loan to a related party	8	1,422,652	-
Investments		11,779	11,779
		10,882,394	1,760,965
Current assets			
Trade and other receivables	7	213,967,361	49,626,893
Due from related parties	8	1,298,551	3,906,243
Cash and bank balances	9	114,217,181	50,315,744
		329,483,093	103,848,880
Total assets		340,365,487	105,609,845
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital	11	9,100,000	9,100,000
Retained earnings		17,377,685	11,978,791
Translation reserve		(541,152)	(732,960)
Total equity		25,936,533	20,345,831
LIABILITIES			
Non-current liability			
Provision for employees' end of service benefits	12	1,505,576	1,174,101
Current liabilities			
Trade and other payables	13	303,004,818	84,089,913
Due to a related party	8	9,918,560	-
		312,923,378	84,089,913
Total liabilities		314,428,954	85,264,014
Total equity and liabilities		340,365,487	105,609,845

The consolidated financial statements were approved and authorised for issue by the board of directors on 12 May 2022 and signed on its behalf by:

Neeraj Gera
....
Director

Vembathy Krishnamurthy Balaji
....
Director

The notes on pages 8 to 34 form an integral part of these consolidated financial statements.

Tek Travels DMCC

Consolidated statement of comprehensive income

	Note	Year ended 31 March 2022 AED	2021 AED
Revenue	14	113,420,584	23,189,169
Cost of sales		(37,433,305)	(6,453,414)
Gross profit		75,987,279	16,735,755
General and administrative expenses	15	(77,345,437)	(26,071,994)
Impairment loss on trade receivables	7	(678,894)	(1,175,748)
Exceptional income / (expense)	7	3,874,496	(14,693,285)
Other income		5,171,247	3,605,854
Operating profit / (loss)		7,008,691	(21,599,418)
Share of loss of joint ventures accounted for using the equity method		(1,620,084)	-
Finance income		36,170	45,176
Profit / (loss) for the year		5,424,777	(21,554,242)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (loss) / gain on employees' end of service benefit obligations	12	(25,883)	42,310
Items that may be reclassified to profit and loss			
Currency translation differences		191,808	(94,373)
Other comprehensive income / (loss) for the year		165,925	(52,063)
Total comprehensive income / (loss) for the year		5,590,702	(21,606,305)

Tek Travels DMCC

Consolidated statement of changes in equity

	Share capital AED	Retained earnings AED	Translation reserve AED	Total equity AED
At 1 April 2020	9,100,000	33,490,723	(638,587)	41,952,136
Total comprehensive loss				
Loss for the year	-	(21,554,242)	-	(21,554,242)
Other comprehensive income / (loss)	-	42,310	(94,373)	(52,063)
At 31 March 2021	9,100,000	11,978,791	(732,960)	20,345,831
Total comprehensive income				
Profit for the year	-	5,424,777	-	5,424,777
Other comprehensive (loss) / income	-	(25,883)	191,808	165,925
At 31 March 2022	9,100,000	17,377,685	(541,152)	25,936,533

Tek Travels DMCC

Consolidated statement of cash flows

	Note	Year ended 31 March 2022 AED	2021 AED
Cash flows from operating activities			
Profit / (loss) for the year		5,424,777	(21,554,242)
Adjustments for:			
Depreciation of property and equipment	5	206,202	160,325
Amortisation of intangibles	6	1,053,423	35,950
Provision for employees' end of service benefits	12	380,385	325,365
Exceptional (income) / expense	7	(3,874,496)	14,693,285
Liability no longer required written back		(2,179,722)	(3,274,656)
Share of loss of investments accounted for using the equity method		1,620,084	-
Finance income		(36,170)	(45,176)
Increase in loss allowance on trade receivables	7	678,894	1,175,748
Operating cash flows before payment of employees' end of service benefits and changes in working capital		3,273,377	(8,483,401)
Payment of employees' end of service benefits	12	(74,793)	(77,265)
Changes in working capital:			
Trade and other receivables before movement in loss allowance		(161,144,866)	56,861,218
Due from related parties		2,607,692	(3,906,243)
Due to a related party		9,918,560	(5,168,357)
Trade and other payables		221,094,627	(34,655,245)
Net cash generated from operating activities		75,674,597	4,570,707
Cash flows from investing activities			
Purchase of property and equipment	5	(966,476)	(58,640)
Purchase of intangibles	6	(7,966,888)	(1,114,650)
Deposits refunded / (placed) during the year		785,711	(812,414)
Investment in joint ventures	19	(54,510)	-
Finance income received		20,398	45,176
Loan to a related party	8	(2,996,134)	-
Investments		-	(4,279)
Net cash used in investing activities		(11,177,899)	(1,944,807)
Net increase in cash and cash equivalents		64,496,698	2,625,900
Currency translation differences		190,450	(96,335)
Cash and cash equivalents, beginning of the year	9	47,368,155	44,838,590
Cash and cash equivalents, end of the year	9	112,055,303	47,368,155

The notes on pages 8 to 34 form an integral part of these consolidated financial statements.

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 TBO Tek Limited (formerly Tek Travels Private Limited) ("the parent company") based in India.

These consolidated financial statements relate to the Company, its subsidiaries and its investments in joint arrangements (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 amendment for the first time for their reporting period commencing from 1 April 2021:

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS4 and IFRS 16

The amendment listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly 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

A number of new standards, amendments to standards and interpretations that have been published are effective for future reporting periods, and have not been applied in preparing these consolidated financial statements:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1;
- Property, Plant and Equipment: Proceeds before intended use–Amendments to IAS 16;
- Reference to the Conceptual Framework – Amendments to IFRS 3;
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37; and
- Annual Improvements to IFRS Standards 2018–2020.

These are all effective for annual periods beginning on or after 1 January 2022. The Group has taken the decision not to adopt these standards early. The extent of the impact for future accounting periods is still under review by the Group.

2.2 Basis of consolidation

a) 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.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in consolidated statement of comprehensive income. Acquisition related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of comprehensive income as bargain purchase.

2 Summary of significant accounting policies (continued)

2.2 Basis of consolidation (continued)

a) Subsidiaries (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in consolidated statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between the 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.

b) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11, 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, investment in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from the joint ventures are recognised as a reduction in the carrying amount of the investment. Where the Group's share of losses in a joint venture equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Summary of significant accounting policies (continued)

2.3 Foreign currency translation (continued)

(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.

(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 accumulated impairment losses, 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.

2 Summary of significant accounting policies (continued)

2.4 Property and equipment (continued)

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

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 accumulated impairment losses, 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 Summary of significant accounting policies (continued)

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. 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 Company 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.

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 Summary of significant accounting policies (continued)

2.15 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group designates derivatives as either;

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The Group is exposed to the impact of foreign currency fluctuations. The Group mitigates these risks by following established risk management policies and procedures, including the use of derivatives. The Group enters into foreign currency forward contracts to hedge its exposure to the impact of movements in foreign currency exchange rates on its transactional balances denominated in currencies other than the functional currency. The Group does not use derivatives for trading or speculative purposes.

The Group reports the fair values of its derivative liabilities on a gross basis in the consolidated statement of financial position in "Trade and other payables", unless designated as hedges for accounting purposes. Gains and losses resulting from changes in the fair values of derivative instruments are recognized within "Other income" in the consolidated statement of comprehensive income in the period that the changes occur.

2.16 Exceptional expense / income

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. Subsequent recoveries against this provided balance has been recorded as an exceptional income. Accordingly, it has been presented separately on the face of the consolidated statement of comprehensive income.

2.17 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.

2 Summary of significant accounting policies (continued)

2.17 Revenue recognition (continued)

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.

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 none of the conditions mentioned of the aforementioned page are 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.

2 Summary of significant accounting policies (continued)

2.17 Revenue recognition (continued)

(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.

(c) Other services

These represent other e-marketplace and software services. It include marketing fees received from hotels for promotion of its properties listed on our platform. Further, it also include revenue from technical services provided to travel buyers and recognised as and when services are rendered.

2.18 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 the Group has the right to direct use of the asset.

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) Derivatives

The table below provides estimated fair values and notional amounts of foreign currency exchange derivatives outstanding at 31 March 2022 and 2021. The notional amount of a foreign currency forward contract is the contracted amount of foreign currency to be exchanged and is not recorded in the consolidated statement of financial position.

	2022 AED	2021 AED
Fair value of derivative liabilities (Note 13)	206,461	-
Notional amount of foreign currency forwards	1,692,369	-

The effect of foreign currency exchange forward contracts recorded in "other income" for the year ended 31 March 2022 and 2021 is as follows:

	2022 AED	2021 AED
Losses on foreign currency exchange derivatives	206,461	-

(b) 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	EUR	GBP	Others*
At 31 March 2022						
Total assets	134,717,185	39,931,995	1,402,674	26,300,756	5,067,784	27,234,144
Total liabilities	(185,553,898)	(8,715,742)	(168,168)	(20,427,971)	(4,920,254)	(21,831,820)
	(50,836,713)	31,216,253	1,234,506	5,872,785	147,530	5,402,324

	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)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

*Other currencies include Brazilian Real, Indian Rupee, Australian Dollar, Indonesian Rupiah, Canadian Dollar, Chinese Yuan, Malaysian Ringgit, Mexican Peso (2021: Brazilian Real, Euro, Australian Dollar, Indonesian Rupiah, Canadian Dollar, Chinese Yuan, Malaysian Ringgit, Mexican Peso), 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), Euro (EUR), 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 2022, if AED had weakened/strengthened by 5% against all the above mentioned currencies excluding USD and SAR, with all other variables held constant, profit for the year would have been AED 632,857 higher/lower (2021: loss for the year would have been AED 926,148 higher/lower), 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.

(c) 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.

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.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Credit risk (continued)

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

	2022 AED	2021 AED
Loan to a related party (Note 8)	1,422,652	-
Trade and other receivables (excluding prepayments and advances)	203,175,037	49,259,104
Due from related parties (Note 8)	1,298,551	3,906,243
Bank and virtual credit card balances	100,547,036	46,117,959
	306,443,276	99,283,306

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)	2022 AED	2021 AED
A1	15,367,969	27,566,106
A3	1,835,898	148,764
Aa1	8,326,682	1,233,860
Aa3	61,170,717	10,103,665
Ba1	325,323	154,577
Ba2	857,174	89,560
Baa1	3,381,950	1,420,225
	91,265,713	40,716,757

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(d) 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 2022 and 2021, 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, if any.

The Company is ungeared as at 31 March 2022 and 2021, 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 2022 and 2021 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 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
Additions	32,237	-	566,333	367,906	966,476
At 31 March 2022	108,107	132,750	1,214,560	548,407	2,003,824
Accumulated depreciation					
At 1 April 2020	56,394	132,750	380,636	130,595	700,375
Charge for the year (Note 15)	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
Charge for the year (Note 15)	8,501	-	164,151	33,550	206,202
Impact of foreign currency translation	-	-	(1,368)	10	(1,358)
At 31 March 2022	76,094	132,750	661,525	190,882	1,061,251
Net book value					
At 31 March 2022	32,013	-	553,035	357,525	942,573
At 31 March 2021	8,277	-	149,485	23,179	180,941

6 Intangible assets

	Computed software AED	Website and domain name AED	Capital work in progress AED	Total AED
Cost				
At 1 April 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
Additions	-	3,121,626	4,845,262	7,966,888
Transfers	-	5,744,441	(5,744,441)	-
At 31 March 2022	2,310	9,570,145	-	9,572,455
Accumulated amortisation				
At 1 April 2020	1,372	-	-	1,372
Charge for the year (Note 15)	746	35,204	-	35,950
At 31 March 2021	2,118	35,204	-	37,322
Charge for the year (Note 15)	192	1,053,231	-	1,053,423
At 31 March 2022	2,310	1,088,435	-	1,090,745
Net book value				
At 31 March 2022	-	8,481,710	-	8,481,710
At 31 March 2021	192	668,874	899,179	1,568,245

7 Trade and other receivables

	2022 AED	2021 AED
Trade receivables	193,683,814	44,615,406
Less: loss allowance on trade receivables	(6,082,711)	(5,685,710)
	187,601,103	38,929,696
Deposits	5,539,349	5,944,490
Prepayments	1,269,844	367,789
Advance to suppliers	9,522,480	-
Other receivables	20,853,374	19,078,203
Less: loss allowance on other receivables	(10,818,789)	(14,693,285)
	213,967,361	49,626,893

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.

7 Trade and other receivables (continued)

The ageing analysis of these trade receivables is as follows:

	2022 AED	2021 AED
Less than 6 months	186,451,074	36,276,805
6 months to 12 months	1,572,996	890,959
More than 12 months	5,659,744	7,447,642
	193,683,814	44,615,406

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 2022 ranges from 0.2% to 100% (2021: 1.7% to 100%) with unsecured trade receivables aging more than 12 months, amounting to AED 5,394,002 (2021: AED 5,646,934), being fully provided.

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, one of the other receivable balance was previously identified as having a significantly elevated credit risk and a one-off specific provision of AED 14,693,285 had been recorded in this regard and disclosed as 'extra ordinary expense' on the face of consolidated statement of comprehensive income on 31 March 2021. During the year ended 31 March 2022, the Group has received AED 3,874,496 against the above mentioned specific provision of AED 14,693,285. Accordingly, it has been disclosed as 'exceptional income' on the consolidated statement of comprehensive income for the year ended 31 March 2022.

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

	2022 AED	2021 AED
At 1 April	20,378,995	6,367,960
Increase in loss allowance on trade receivables	678,894	1,175,748
(Decrease) / increase in loss allowance on other receivables	(3,874,496)	14,693,285
Written off during the year	(281,893)	(1,857,998)
At 31 March	16,901,500	20,378,995

8 Related party transactions and balances

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

8 Related party transactions and balances (continued)

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.

	2022 AED	2021 AED
IT support services from the parent company	8,378,353	-
Website and domain support services from the parent company	7,756,456	-
Business support services expense from the parent company	10,915,679	2,456,899
Cost of sales	3,242,749	742,328
Business support service income from the joint ventures	1,203,578	-
Rent charged by related parties	266,436	155,421
Interest income on loan to joint venture	15,772	-
Software license fees (Note 15)	-	296,785
Key management compensation		
Short term benefits	814,228	418,636

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.

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.

	2022 AED	2021 AED
Due from related parties		
ZamZam E-Travel Services DMCC (joint venture)	42,864	-
United Experts for Information Systems technology Co. (LLC) (joint venture)	1,255,687	
TBO Tek Limited (parent company)	-	3,906,243
	1,298,551	3,906,243
Due to a related party		
TBO Tek Limited (parent company)	9,918,560	-
Long term loan to a related party		
United Experts for Information Systems technology Co. (LLC) (joint venture)*	1,422,652	-

8 Related party transactions and balances (continued)

*During the year, the Group provided a loan of AED 2,996,134 to United Experts for Information Systems technology Co. (LLC). The loan is unsecured and carries interest at the rate of 2% per annum. As per the terms of the agreement with the joint venture entity, the loan is repayable on the earlier of four years from the loan execution date or the borrowing making profits or on such date as is mutually agreed between the parties. Since the Group does not intend to recall this amount in next 12 months nor the borrower is expected to repay such amount in next 12 months therefore the loan has been classified as non-current.

The joint venture entity, United Experts for Information Systems technology Co. (LLC), has incurred a loss during the year and the Group's share of loss in joint venture was AED 1,613,764. The Group's share of losses have exceeded the Group's interest in the said investment and due to such losses, the carrying value of investment in such joint venture entity has become Nil as at 31 March 2022 and the loss of AED 1,589,254 not adjusted with the Group's investment has been adjusted against the loan receivable from this joint venture entity.

9 Cash and cash equivalents

	2022 AED	2021 AED
Balances with banks		
- in current accounts	79,833,835	34,764,819
- in fixed deposits*	11,431,878	5,951,938
Virtual credit card balances	9,281,323	5,401,202
Cash in transit	13,670,145	4,197,785
Cash and bank balances	114,217,181	50,315,744
Less: fixed deposits with maturity of more than 3 months and less than 12 months	(2,161,878)	(2,947,589)
Cash and cash equivalents as per consolidated statement of cash flows	112,055,303	47,368,155

*Includes deposits amounting to AED 11,431,878 (2021: AED 2,951,938) 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:

	2022 AED	2021 AED
Financial assets - at amortised cost		
Loan to a related party (Note 8)	1,422,652	-
Trade and other receivables (excluding prepayments and advances)	203,175,037	49,259,104
Due from related parties (Note 8)	1,298,551	3,906,243
Cash and bank balances (Note 9)	114,217,181	50,315,744
	320,113,421	103,481,091

Notes to the consolidated financial statements for the year ended 31 March 2022
(continued)

10 Financial instruments by category (continued)

	2022 AED	2021 AED
Financial liabilities - at amortised cost		
Trade and other payables (excluding advances)	268,392,448	65,689,353
Due to a related party (Note 8)	9,918,560	-
	278,311,008	65,689,353

11 Share capital

The share capital of the Company comprises 9,100 (2021: 9,100) authorised, issued and fully paid up shares of AED 1,000 each.

12 Provision for employees' end of service benefits

	2022 AED	2021 AED
At 1 April	1,174,101	968,311
Charge for the year (Note 16)	380,385	325,365
Actuarial loss / (gain) on employees' end of service benefits	25,883	(42,310)
Payments made during the year	(74,793)	(77,265)
At 31 March	1,505,576	1,174,101

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

	2022 AED	2021 AED
Service cost	345,749	300,669
Interest cost	34,636	24,696
Total amount recognised in profit or loss	380,385	325,365
Remeasurement (gain) / loss		
Gain from changes in financial assumptions	(44,917)	(40,259)
Experience adjustment loss / (gain)	70,800	(2,051)
Total amount recognised in other comprehensive income	25,883	(42,310)

The principal assumptions were as follows:

	2022 AED	2021 AED
Weighted average assumptions used to determine obligation are:		
Discount rate	2.95%	2.34%
Rate of compensation increase	5%	5%

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

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 2022, 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 2022 and 2021, 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.

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

	2022 AED	2021 AED
Trade payables	243,812,022	49,775,482
Advances from customers	34,612,370	18,400,560
Customer deposits	4,541,414	3,960,651
Derivative liabilities	206,461	-
Accrued expenses and other payables	19,832,551	11,953,220
	303,004,818	84,089,913

14 Revenue

	2022 AED	2021 AED
Commission income	65,121,194	14,402,161
Performance linked benefits	37,441,844	6,120,931
Cash back income	10,332,487	2,234,975
Other services	525,059	431,102
	113,420,584	23,189,169

15 General and administrative expenses

	2022 AED	2021 AED
Business support services	29,298,987	10,846,489
Staff cost (Note 16)	21,713,566	7,482,999
IT support service expense	8,378,353	-
Legal and professional fees	5,036,028	4,014,614
Bank charges	5,020,729	999,605
Marketing expenses	1,641,970	235,685
Insurance	1,495,423	880,682
Travel and conveyance	1,390,688	101,043
Amortisation (Note 6)	1,053,423	35,950
Communication and utility	813,385	393,660
Rent and license	442,365	319,630
Depreciation of property and equipment (Note 5)	206,202	160,325
Software license fees (Note 8)	-	296,785
Supplier advances written off	-	36,450
Others	854,318	268,077
	77,345,437	26,071,994

16 Staff costs

	2022 AED	2021 AED
Salaries and allowances	18,829,350	6,401,212
Employees' end of service benefits (Note 12)	380,385	325,365
Contribution to defined benefit plan	922,306	-
Other staff costs	1,581,525	756,422
	21,713,566	7,482,999

17 Commitments

Capital commitments of AED Nil (2021: AED 3,186,775) are outstanding as at 31 March 2022 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 % 2022	Control % 2021
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

18 Group subsidiaries (continued)

Name of the company	Place of incorporation	Principal activity	Control % 2022	2021
3. TBO Holidays Europe B.V.	Netherlands	Online travel booking and business support services.	2022	2021
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
9. Tek Travels Arabia for Travel and Tourism (Single Person Co)	Kingdom of Saudi Arabia	Online travel booking and business support services	100	100
10. TBO LLC	United States of America	Business support services	100	100

19 Investment in joint venture accounted for using equity method

	2022 AED	2021 AED
ZamZam E-Travel Services DMCC ('ZamZam')	23,680	-
United Experts for Information Systems technology Co. (LLC) ('United Experts')	-	-
	23,680	-

Both the above entities are private companies and there are no quoted market price available for their shares.

(i) Group's holding percentage and country of incorporation of the joint ventures are as follows:

Name of the company	Place of incorporation	Principal activity	Control % 2022	2021
ZamZam E-Travel Services DMCC ('ZamZam')	United Arab Emirates	E-marketplace service provider (DMCC) and outbound tour operations	50%	-

19 Investment in joint venture accounted for using equity method (continued)

Name of the company	Place of incorporation	Principal activity	Control % 2022	Control % 2021
United Experts for Information Systems technology Co. (LLC) ('United Experts')	Kingdom of Saudi Arabia (KSA)	Booking and search engine services to B2B, B2C and business-to-administration clients of the Company for inbound tourism in KSA.	50%	-

The Group has joint control over these arrangement as under the contractual agreements, unanimous consent is required from all the parties to the agreements for all relevant activities. The Group's joint arrangements provides the Group and the parties to the agreements with rights to the net assets of the companies under the arrangements. Therefore, these arrangements are classified as joint ventures of the Group.

During the year, the Group entered into a Share Purchase Agreements (SPA) individually with the other shareholders of both the joint venture entities. As per the terms of both the SPAs, the Group shall purchase additional 20% shares from the existing shareholders of United Experts and ZamZam respectively, on the dates as defined in these SPAs. The dates are subject to fulfilment of certain conditions, as defined in the SPAs, which are yet to be completed as on 31 March 2022. Accordingly, the said acquisition of 20% shares was not considered as completed at year end.

(ii) Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint ventures:

	ZamZam		United Experts*		Total	
	2022 AED	2021 AED	2022 AED	2021 AED	2022 AED	2021 AED
Opening balance	-	-	-	-	-	-
Investment made during the year	30,000	-	24,510	-	54,510	-
Share of net (losses) / profit	(6,320)	-	(24,510)	-	(30,830)	-
	23,680	-	-		23,680	-

19 Investment in joint venture accounted for using equity method (continued)

*United Experts for Information Systems technology Co. (LLC) has incurred a loss during the year and the Group's share of loss in joint venture was AED 1,613,764. The Group's share of losses have exceeded the Group's interest in the said investment and due to such losses, the carrying value of investment in such joint venture entity has become Nil as at 31 March 2022 and the remaining loss not adjusted with the Group's investment has been adjusted against the loan receivable from this joint venture entity (Note 8).

(iii) The Group has no commitments and contingent liabilities relating to its joint ventures.

20 Impact of COVID-19

Liquidity management and going concern assessment

Economic stress in the markets brought on by the COVID-19 crisis that was felt globally at the onset of the pandemic has continued to ease during the current year. In this environment, the Group introduced proactive comprehensive measures to address and mitigate key financial issues arising from the situation, including compensating cost saving measures and reductions to discretionary capital or advertisement expenditure in the previous year. The Group continues to take measures to manage its liquidity carefully by implementing various controls in the 'treasury process' in order to satisfy its working capital needs, capital and marketing expenditure and other liquidity requirements associated with its existing operations. During the year the Group has seen significant recovery in the market which is reflected in higher revenues compared to previous year due to lifting of travel restrictions in most of the world that were temporarily put on hold last year. Improved customer collections are reflective of better liquidity in the market and this trend is expected to continue with the easing of all COVID-19 related restrictions in the Group's major geographical market subsequent to the year end. As of the date of approval of these consolidated financial statements, the Group does not have any risk of going concern.

21 Subsequent events

Investment in United Experts

Pursuant to the SPA entered into between the Group and United Expert, the Group have increased its investment in the joint venture and acquired controlling interest in United Experts in April 2022 and consequently United Experts has become the subsidiary of the Group from the date, as specified in the SPA (refer Note 19).

As per requirements of IFRS 3 'Business Combinations', the Group is required to fair value its existing equity interest and recognise any gain/loss in the consolidated statement of comprehensive income. As on the date on which the consolidated financial statements were authorised for issue, the fair valuation of existing equity interest and that of the assets and liabilities acquired under the above business combination are in progress. Consequently, it is not yet possible to provide detailed information about fair value of assets and liabilities acquired as part of this transaction.

21 Subsequent events (continued)

Investment in BookaBed AG

On 31 March 2022, the Group has entered into a Share Purchase Agreement (SPA) with Karl Michael Tyrrell, Jacqueline Marie Clynch for purchase of 1,000 equity share (100% shares) of BookaBed AG, Baar, Switzerland, a Swiss stock corporation registered in the commercial register of the canton of Zug under register no. CHE - 268.565.836 and whose registered office is at Haldenstrasse 5, 6340 Baar.

The payment of consideration and transfer of shares and control shall be done on different closing dates as specified in SPA in the following manner:

1. The Group shall purchase 510 shares (51% ownership) for a consideration of CHF 4,000,000 on 1 April 2022 (Closing Date 1). This is the date when the Group obtains control of the entity.

2. The remaining 490 shares (49% ownership) shall be purchase by the Group subject to fulfilment of certain conditions defined in the SPA. The basis of computation of consideration for the same and closing date for acquisition remaining shares is defined in the SPA.

Investment in ZamZam

Pursuant to the SPA entered into between the Group and the joint venture entity, the Group will have controlling interest in ZamZam and consequently the joint venture entity will become the subsidiary of the Group from the date, as specified in the SPA (refer Note 19).

As per requirements of IFRS 3 ‘Business Combinations’, the Group is required to fair value its existing equity interest and recognise any gain/loss in the consolidated statement of comprehensive income. As on the date on which the consolidated financial statements were authorised for issue, the fair valuation of existing equity interest and that of the assets and liabilities acquired under the above business combination are in progress. Consequently, it is not yet possible to provide detailed information about fair value of assets and liabilities acquired as part of this transaction.