CLOUDSOCIUS DMCC
DUBAI

Annual report and financial statements

Year ended January 31, 2023

Contents

CLOUDSOCIUS DMCC, DUBAI

Director's Report

The Director has pleasure in submitting his annual report and financial statements of Cloudsocius DMCC, Dubai (the "Company") for the year ended January 31, 2023.

Activities

The principal activities of the Company include providing information technology consultancies, computer systems consultancies, internet consultancy, internet content, software house and IT infrastructure.

Financial position

During the year, the Company achieved a turnover of AED 5,641,533 as compared to AED 11,390,093 in the prior year. The net liabilities at the year end amounted to AED 10,027,579 (2022: 8,450,779).

Auditors

A resolution to reappoint BDO Chartered Accountants & Advisors as the auditors for the ensuing year will be put to the members at the Annual General Meeting.

For and on behalf of the Board of Directors

Sd /-

Barath Narayanan SS

Director

June 6, 2023

هاتف : ٦٦٦٦ ٥١٨ ٤ ٩٧١+
فاكس : ٠١٥١ ٢٢٧ ٤ ٩٧١+

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Cloudsocius DMCC, Dubai

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cloudsocius DMCC, Dubai ("the Company") which comprise the statement of financial position as at January 31, 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at January 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 3 of the financial statements, which describes that these financial statements are not prepared on a going concern basis. The management has decided to discontinue the operations of the Company. Accordingly, the management has prepared these financial statements on break-up basis. Our opinion is not qualified in respect of this matter.

Responsibilities of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and their presentation in compliance with the applicable provisions of Dubai Multi Commodities Centre Authority Company Regulations 2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management has used the break-up basis of accounting as the management has decided to discontinue the operations of the Company.

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT *(Continued)*

To the Shareholder of Cloudsocius DMCC, Dubai *(Continued)*

Report on the Audit of the Financial Statements *(Continued)*

Auditor's Responsibilities for the Audit of the Financial Statements *(Continued)*

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

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

We communicate with the management, 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.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations, which were necessary for the purpose of our audit and no violation of the Dubai Multi Commodities Centre Authority (DMCCA) Company Regulations of 2020 ("the Regulation") came to our attention which would materially affect the Company's financial position.

INDEPENDENT AUDITOR'S REPORT *(Continued)*

To the Shareholder of Cloudsocius DMCC, Dubai *(Continued)*

Report on the Audit of the Financial Statements *(Continued)*

Report on Other Legal and Regulatory Requirements *(Continued)*

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

a) based on the information that has been made available to us during the audit of the financial statements of the Company for the year ended January 31, 2023, nothing has come to our attention that causes us to believe that the activities undertaken by the Company and as disclosed in Note 1 to these financial statements are, in all material aspects, different from the activities permitted under the license to the Company by DMCCA.

b) the financial statements of the Company comply, in all material aspects, with the applicable provisions of the Regulation.

Sd /-

BDO CHARTERED ACCOUNTANTS & ADVISORS
Dubai

Mohamed Afzal Koya Ali
Reg. No. 522
June 6, 2023

CLOUDSOCIUS DMCC, DUBAI

Statement of financial position as at January 31, 2023

	Note	AED	2022 AED
Non current assets			
Intangible assets	7	-	15,408
Property and equipment	8	-	49,900
Total non current assets		-	65,308
Current assets			
Trade and other receivables	9	**631,258**	2,074,137
Due from related parties	10	**574,975**	815,815
Bank balances	11	**788,198**	2,049,154
Total current assets		**1,994,431**	4,939,106
Current liabilities			
Trade and other payables	12	**150,715**	2,885,084
Due to related parties	10	**9,309,723**	7,419,340
Loan from related party	10	**2,561,572**	2,471,454
Total current liabilities		**12,022,010**	12,775,878
Net current liabilities		**(10,027,579)**	(7,836,772)
Non current liabilities			
Provision for employees' end of service benefits	13	-	679,315
Net liabilities		**(10,027,579)**	(8,450,779)
Equity			
Share capital	14	**50,000**	50,000
Accumulated deficit		**(10,077,579)**	(8,500,779)
Total equity		**(10,027,579)**	(8,450,779)

The financial statements have been approved by the Board of Directors on June 6, 2023 and are signed on its behalf by:

Sd /-

[redacted]

Barath Narayanan SS
Director

The notes on pages 9 to 22 form part of these financial statements

Statement of profit or loss and other comprehensive income for the year ended January 31, 2023

	Note	AED	2022 AED
Income			
Revenue	15	**5,641,533**	11,390,093
Other income	16	**5,860**	255,181
		5,647,393	11,645,274
Expenses			
Consultancy charges		**(1,071,088)**	(1,257,519)
External contractor fees		**(124,515)**	(2,537,312)
Salaries and other staff benefits		**(5,183,829)**	(10,396,017)
Administration and general expenses	17	**(613,655)**	(1,531,257)
Intercompany recharge expenses		**(72,782)**	(213,239)
Allowance for expected credit losses	9	**(68,206)**	(2,312)
Finance cost		**(90,118)**	(7,704)
		(7,224,193)	(15,945,360)
Net loss and total comprehensive income for the year		**(1,576,800)**	(4,300,086)

Statement of changes in equity for the year ended January 31, 2023

	Share capital AED	Accumulated deficit AED	Total equity AED
Balance at February 1, 2021	50,000	(4,200,693)	(4,150,693)
Total comprehensive income for the year	-	(4,300,086)	(4,300,086)
Balance at January 31, 2022	**50,000**	**(8,500,779)**	**(8,450,779)**
Total comprehensive income for the year	-	(1,576,800)	(1,576,800)
Balance at January 31, 2023	**50,000**	**(10,077,579)**	**(10,027,579)**

The notes on pages 9 to 22 form part of these financial statements

Statement of cash flows for the year ended January 31, 2023

	Note	AED	2022 AED
Cash flows from operating activities			
Net loss for the year		**(1,576,800)**	(4,300,086)
Adjustments for:			
Amortisation of intangible assets	7	**13,900**	47,603
Depreciation on property and equipment	8	**15,194**	19,685
Allowance for expected credit losses	9	**68,206**	2,312
Finance cost		**90,118**	7,704
Loss on write off of property and equipment	16	**593**	-
Transfer of property and equipment to related party*	8	**37,787**	-
Write off of intangible asset	7	**1,508**	-
Additional provision for employees' end of service benefits	13	**406,643**	283,416
Transfer of employees' end of service benefits to related party*	13	**(487,978)**	-
Operating loss before working capital changes		**(1,430,829)**	(3,939,366)
Decrease in trade and other receivables	9	**1,374,673**	1,763,848
Decrease/(increase) in due from related parties		**240,840**	(239,214)
(Decrease)/increase in trade and other payables	12	**(2,734,369)**	813,616
Increase in due to related parties	10	**1,890,383**	646,470
Cash used in operations		**(659,302)**	(954,646)
Employees' end of service benefits paid	13	**(597,980)**	(20,787)
Net cash (used in) operating activities		**(1,257,282)**	(975,433)
Cash flows from investing activities			
Purchase of property and equipment	8	**(3,675)**	(58,264)
Net cash used in investing activities		**(3,675)**	(58,264)
Cash flows from financing activities			
Interest paid on loan from related party		**-**	(7,704)
Increase in loan from related party		**-**	2,471,454
Net cash used in financing activities		**-**	2,463,750
Net (decrease)/increase in cash and cash equivalents		**(1,260,956)**	1,430,053
Cash and cash equivalents at beginning of the year		**2,049,154**	619,101
Cash and cash equivalents at end of the year	11	**788,198**	2,049,154

*The movement in property and equipment and provision for employees' end of service benefits consists of transfers to related party, which is a non-cash transaction.

The notes on pages 9 to 22 form part of these financial statements

1 Status and activity

Cloudsocius DMCC, Dubai ("the Company") is a limited liability company incorporated under the Implementing Regulations issued by Dubai Multi Commodities Centre Authority. The registered address of the Company is Unit No: 2455, DMCC Business Centre Level No 1 Jewellery & Gemplex 3, Dubai, United Arab Emirates.

The Company is a wholly-owned subsidiary of WIPRO WEARE4C UK LIMITED ("the Parent Company"), an entity registered in London, United Kingdom. The ultimate holding company is Wipro Limited, an entity registered in India ("the Ultimate Parent Company").

The Company is engaged in providing information technology consultancies, computer systems consultancies, internet consultancy, internet content, software house and IT infrastructure.

The financial statements for the year ended January 31, 2023 were authorised for issue by the Board of Directors on June 6, 2023.

These financial statements are presented in UAE Dirhams (AED).

2 Going concern considerations

As at the date of approval of these financial statements, the Company was no longer considered as a going concern and has made a decision to discontinue the operations. Thus, management considers that the going concern basis for preparation of these financial statements is not appropriate. Therefore, these financial statements have been prepared on a break-up basis as set out in the basis of preparation.

3 Basis of preparation

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs). The financial statements are also in compliance with the Dubai Multi Commodities Centre Authority Company Regulations 2020. The Company has prepared these financial statements on break-up basis for the year ended January 31, 2023. In adopting the break-up basis at the year end, the following policies and procedures were implemented:

- all assets have been disclosed at values at which they are expected to materialise.
- all liabilities will reflect the full amount at which they are expected to materialise.

4 Adoption of new and revised International Financial Reporting Standards (IFRSs)

a) New standards, interpretations and amendments adopted from January 1, 2022

The following amendments are effective for the period beginning January 1, 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning January 1, 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);

4 Adoption of new and revised International Financial Reporting Standards (IFRSs) *(Continued)*

b) New standards, interpretations and amendments not yet effective (Continued)

- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning January 1, 2024:

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants)

The Company is currently assessing the impact of these new accounting standards and amendments.

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

5 Significant accounting policies

The significant accounting policies adopted by the Company are as follows:

Intangible assets

Intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are then amortised using the straight line method over their useful lives. Amortisation is included in the administration and general expenses in the statement of profit or loss and other comprehensive income.

The significant intangible assets recognised by the Company and their useful economic lives are as follows:

Customer interface software	3 years
Real estate development accelerator	3 years

Property and equipment

Property and equipment is initially recognised at cost. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Property and equipment is subsequently measured at cost less accumulated depreciation and impairment.

The cost of replacing a part of property and equipment is recognised in the carrying amount of the items if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The routine servicing of the property and equipment is recognised in the statement of profit or loss and other comprehensive income.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of items of property and equipment is determined as the difference between the sales proceeds and the carrying value of the assets and it is recognised in the statement of profit or loss and other comprehensive income.

5 Significant accounting policies *(Continued)*

Depreciation

Depreciation is provided consistently on the straight-line basis so as to write off the cost of property and equipment over their estimated useful lives as follows:

Office equipment	3 years
Furniture and fixtures	3 years

Financial assets

All financial assets are stated at their net realisable value which is the amount expected to be recovered from these financial assets. The Company's financial assets comprise of trade and other receivables (including prepayments) and due from related parties.

Cash and cash equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents include bank balances free of encumbrance.

Financial liabilities

The Company's financial liabilities are stated at the full amount at which they are expected to materialise. The Company's financial liabilities include trade and other payables, due to and loan from related parties.

Provision for employees' end of service benefits

Provision is made for employees' end of service benefits on the basis prescribed in the UAE Labour Law, for the accumulated period of service at the date of statement of financial position.

Leases

The Company has assessed the impact of IFRS 16 and considered that the impact is not material. The current lease agreement is valid for a period of 1 year which the management does not intend to continue. Accordingly, leases are not accounted in these financial statements as per IFRS 16.

The Company leases its office space located in Dubai, UAE. In the lease agreement, the periodic rent is fixed over the lease term. The Company has no variable lease payments, residual value guarantees, and leases not yet commenced to which they have committed.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are recognised after considering the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of profit or loss and other comprehensive income when the changes arise.

5 Significant accounting policies *(Continued)*

Share based compensation

The grant-date fair value of share-based compensation arrangements granted to employees is generally recognised as an expense, with a corresponding increase in liability or equity, over the vesting period of the awards, depending on the type of share-based payment arrangement. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. If the share based payment is equity settled, the number of shares that can be granted to the eligible employees are subject to employee's level and will be determined by the management.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

Revenue recognition

Performance obligations and timing of revenue recognition

The Company's revenue is derived from providing services including information technology consultancies, computer systems consultancies, internet consultancy, internet content, software house and IT infrastructure.

Recognition of revenue

Revenue from professional and managed services is recognised over time.

Identification of the contract

A contract is an agreement between two or more parties that establishes enforceable rights and obligations and determines that enforceability is a question of law. The Company enters written agreements only. An agreement must be signed by both parties within a reporting period to be able to recognise revenue in that period. Revenue resulting from an agreement signed at a later point in time is recognised in the period in which the agreement was signed.

Revenue from an agreement which grants the customer the right to terminate with no resulting materially disadvantageous payments, is only recognised in the period that is not subject to the termination right.

Identification of contractual obligations

Contracts with customers often include various services. The services are usually to be treated as separate contractual performance obligations. The relevant portion of the contractual price is recognised separately.

Determination of transaction price

The Company also exercises judgment when determining the consideration expected to be received in exchange for the transfer of services to a customer. This includes estimations as to whether and to what extent the customer is entitled to subsequent concessions or payments and whether the customer will pay the contractually agreed consideration as expected. In this exercise of judgment, primarily previous experiences with a specific or a comparable customer are considered. These estimates are reviewed at every balance sheet date. The Company's contracts generally do not contain variable considerations. There may, however, be individual cases when retrospective adjustments are made to the transaction price, which must be recognised as revenue corrections on the date they were made.

5 Significant accounting policies *(Continued)*

Revenue recognition (Continued)

Allocation of transaction price to performance obligations

For all contracts, there is a fixed unit price for each performance obligation specified in the contract.

Value added tax (VAT)

Value added tax (VAT) asset/liability is recognised in the financial statements of the Company based on the requirements of the regulations as defined by Federal Tax Authority (FTA).

Expenses and assets are recognised net of the amount of value added tax except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as a part of the acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax payable to, the taxation authority is included as a part of payables in the financial statements.

Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented UAE Dirhams (AED), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at 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 in profit or loss.

Contingent liabilities

Contingent liabilities are a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

6 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 5, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

6 Critical accounting judgments and key sources of estimation uncertainty *(Continued)*

Useful life of intangible assets

The useful life used to amortise intangible assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset. Intangible assets of the Company represent customer interface software and real estate development accelerator. Management has estimated a life of 3 years to amortise the intangible assets. Revisions to these adjustments would be required if there are significant changes in the assumptions.

Useful life of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Expected credit loss allowance for financial assets

The Company uses a provision matrix to calculate Expected Credit Losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Satisfaction of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. Revenue from sale of software license is recognised at a point in time as of the date on which the customer receives access to and thus control over the software. Revenue from maintenance and services is recognised when the services are rendered and are spread over the period of the contract. Revenue is accrued to the extent of the completed stages for the services whereby the service has been provided and amount realisable can be estimated reliably.

Percentage of completion

For revenue generated from professional services, the Company reviews the percentage of completion of each project and considers the same against the actual invoicing done. Percentage of completion involves estimates and is determined based on the actual number of hours spent by the technical personnel of the Company as compared to the total expected hours. Such estimation is done by the technical personnel of the Company involved in such projects based on their professional experience, technical requirements and activities to be performed on the projects.

7 Intangible assets

The intangible assets of the Company comprise of customer interface software and real estate development accelarator which are being amortised over a period of 3 years.

		2022
Cost	**AED**	**AED**
Opening balance	**142,633**	142,633
Write off	**(142,633)**	-
	-	142,633
Amortisation		
Opening balance	**127,225**	79,622
Amortisation during the year	**13,900**	47,603
Write off	**(141,125)**	-
	-	127,225
Carrying amount		
Closing balance	**-**	15,408

8 Property and equipment

Movements in property and equipment are given on page 22.

The rent expense from this short-term lease during the year amounted to AED 57,806 (2022: AED 160,774).

9 Trade and other receivables

		2022
	AED	**AED**
Trade receivables	**707,232**	1,831,267
Less: Allowance for expected credit losses	**(164,805)**	(96,599)
Trade receivables (net)	**542,427**	1,734,668
Unbilled receivables	**33,333**	30,023
Deposits	**36,495**	72,102
Staff advances	**-**	159,812
Trade and other receivables classified as amortised cost	**612,255**	1,996,605
Add: Prepayments	**19,003**	77,532
	631,258	2,074,137

Unbilled receivables represent amounts that fulfill the revenue recognition criteria but would be billed based on contractual terms.

The carrying value of trade and other receivables classified at amortised cost approximate to their fair value.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers.

9 Trade and other receivables *(Continued)*

As at January 31, 2023, the Company has recorded specific provision amounting to AED 164,805 (2022: AED 96,599) which is based on the lifetime expected credit losses of the full value of trade receivables.

Further, the Company has assessed that there is no requirement for additional provision for expected credit loss.

Movement in allowance for expected credit losses is as follows:

		2022
	AED	**AED**
Opening balance	**96,599**	94,287
Increase in allowance	**68,206**	2,312
	164,805	96,599

10 Related party disclosures

Related parties include the Ultimate Parent Company, Parent Company and any businesses which are controlled directly or indirectly by the Company or over which they exercise significant management influence. The balances due to/from such parties, which have been disclosed separately in the financial statements, are unsecured, interest-free (except for the loan from related party) and are repayable on demand.

The significant related party transactions during the period are as follows:

		2022
	AED	**AED**
Ultimate Parent Company		
- Revenue (Information technology consultancy)	**2,081,477**	3,114,282
- Consultancy charges	**901,770**	-
Parent Company		
- Revenue (Information technology consultancy)	**203,762**	929,498
- Consultancy charges	**-**	554,145
- Intercompany recharge expense	**43,089**	97,423
Key management personnel		
- Managerial remuneration	**420,235**	513,680
Other related parties		
- Revenue (Information technology consultancy)	**1,046,126**	1,282,250
- Consultancy charges	**169,318**	703,374
- Intercompany recharge expense	**29,693**	119,058
- Finane cost (Interest on loan)	**90,118**	7,704

10 Related party disclosures *(Continued)*

Related party balances are as under:

		2022
	AED	**AED**
Payables		
Ultimate Parent Company		
- Wipro Limited	**1,858,621**	-
Parent Company		
- Wipro Weare4C UK Limited	**3,242,649**	3,403,322
Other related parties		
- Wipro 4C Denmark ApS	**378,034**	212,050
- Wipro 4C NV	**3,830,419**	3,800,726
- Wipro Travel Services Ltd (WTSL)	**-**	3,242
	9,309,723	7,419,340
Other related party		
- Loan from related party*	**2,561,572**	2,471,454
Key management personnel		
- End of service benefits payable to Managing Director	**-**	184,706
Receivables		
Ultimate Parent Company		
- Wipro Limited	**574,975**	672,636
Other related parties		
- Wipro Appirio, Ireland	**-**	143,179
	574,975	815,815

*Loan from related party pertains to an interest-bearing loan received from Wipro Holdings Investment KFT, Hungary.

The Company applies the IFRS 9 simplified approach for measuring expected credit losses using a lifetime expected credit loss provision for the balance which are due from related parties. As at January 31, 2023, there is no material lifetime expected credit loss provision for due from related parties. The amount expected to be received in the next 12 months from the date of financial statements is considered as current receivable.

Due to related parties balance includes an amount of AED Nil (2022: AED 683,127) relating to the warrants payable to Wipro 4C NV as per the warrants plan issued by Wipro 4C NV for employees of Cloudsocius DMCC.

11 Bank balances

		2022
	AED	**AED**
Current accounts with banks	**788,198**	2,049,154

12 Trade and other payables

		2022
	AED	**AED**
Trade payables	**23,366**	375,949
Payable to customer	**9,255**	-
Employee benefits payable	**-**	713,348
Retention payable	**-**	1,413,328
Bonus payable	**-**	93,424
Deferred revenue	**45,743**	195,668
VAT payable	**20,244**	34,464
Accruals and other payables	**52,107**	58,903
	150,715	2,885,084

The Company has financial risk management policies in place to ensure that payables are paid within the credit time frame. The trade and other payables (excluding advance received from the customers) which are classified as financial liabilities approximate to their fair value.

13 Provision for employees' end of service benefits

		2022
	AED	**AED**
Opening balance	**679,315**	416,686
Additional provision made during the year	**406,643**	283,416
Payments made during the year	**(597,980)**	(20,787)
Transfer to the related party during the year	**(487,978)**	-
Closing balance	**-**	679,315

14 Share capital

		2022
	AED	**AED**
Authorised, issued and paid up capital:		
50 ordinary shares of AED 1,000 each	**50,000**	50,000

15 Revenue

Disaggregation of revenue

The Company has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- enable users to understand the relationship with revenue nature wise.

15 Revenue *(Continued)*

Disaggregation of revenue *(Continued)*

Service type

		2022
	AED	AED
Information Technology Consultants	**5,641,533**	11,390,094

		2022
	AED	AED
Primary geographic markets		
United Arab Emirates	**2,310,167**	6,196,597
India	**2,081,477**	3,114,282
United Kingdom	**1,246,553**	929,498
Others	**3,336**	1,149,717
	5,641,533	11,390,094

16 Other income

		2022
	AED	AED
Reimbursement income	**-**	255,181
Other	**5,860**	-
	5,860	255,181

17 Administration and general expenses

		2022
	AED	AED
Rent and license fees	**57,806**	160,774
Communication	**51,222**	76,993
Travelling and conveyance	**115,663**	252,448
Sales commission and other marketing expenses	**127,147**	615,662
Legal and professional fees	**162,676**	204,406
Bank charges	**33,044**	45,506
Net exchange loss	**23,521**	39,461
Amortisation of intangible assets	**13,900**	47,603
Depreciation on property and equipment	**15,194**	19,685
Loss on disposal of property and equipment	**593**	-
Write off of intangible assets	**1,509**	-
Other	**11,380**	68,719
	613,655	1,531,257

18 Financial instruments - risk management

The Company is exposed through its operations to the following financial risks:

Capital risk management

The capital structure of the Company consists of equity attributable to equity holder, comprising of authorised, issued and paid up capital.

As a risk management policy, the Company reviews its cost of capital and risks associated with capital. The Company balances its capital structure based on the above review.

Market risk management

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to individual investment or its issuer or factors affecting all financial assets traded in the market.

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk).

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

Foreign currency risk management

Foreign currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rate.

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuation arise. The Company is mainly exposed to US Dollars (USD). But, as UAE Dirham (AED) is pegged to the US Dollar, the Company is not exposed to any significant exchange rate fluctuations.

Interest rate risk management

The Company is not exposed to interest rate risk as the Company has no borrowings at floating rates.

Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, trade and other receivables and amounts due from related parties. There is no allowance made for the due from related party and management consider balance fully recoverable.

Liquidity risk management

Liquidity risk arises from the Company's management of working capital. It is the risk that an entity will encounter difficulty in meeting obligations associated with financial obligations as they fall due.

The Company has built an appropriate liquidity risk management framework for the management of its short, medium and long term funding and liquidity requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cashflows.

18 Financial instruments - risk management *(Continued)*

Financial instruments by category

The carrying amounts for each class of financial instrument are listed below:

		2022
	AED	**AED**
Financial assets		
Amortised cost		
- Trade and other receivables (excluding prepayments and unbilled revenue)	**578,922**	1,966,582
- Due from related parties	**574,975**	815,815
- Bank balances	**788,198**	2,049,154
Financial liabilities		
Other financial liabilities		
- Trade and other payables (excluding deferred revenue)	**104,972**	2,689,416
- Due to related parties	**9,309,723**	7,419,340
- Loan from related party	**2,561,572**	2,471,454

19 Contingent liabilities

There were no material contingent liabilities at the date of statement of financial position.

20 Corporate tax

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% CT rate and a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision. Further, there are several other decisions that are yet to be finalised by way of a Cabinet Decision that are significant in order for entities to determine their tax status and the taxable income. The Company shall continue to monitor the timing of the issuance of these critical cabinet decisions to determine their tax status and the application of IAS 12 – Income Taxes. The Company is in the process of assessing the possible impact on its financial statements, both from current and deferred tax perspective.

21 Subsequent events

Subsequent to the year end the Company has issued 10,827 new ordinary shares with nominal value of AED 1,000 each to Parent Company for a total subscription price of AED 10,827,000.

22 Comparative figures

Previous year's figures, which were not material, have been regrouped or reclassified wherever necessary to make them comparable with those of the current year.

Schedule of property and equipment

	Office equipment
Cost	**AED**
At February 1, 2021	32,191
Additions during the year	58,264
At January 31, 2022	90,455
Additions during the year	3,675
Write off during the year	(6,752)
Transfer during the year	(87,378)
At January 31, 2023	-
Depreciation	
At February 1, 2021	20,870
Charge for the year	19,685
At January 31, 2022	40,555
Charge for the year	15,194
Write off during the year	(6,158)
Transfer during the year	(49,591)
At January 31, 2023	-
Net book value	
At January 31, 2023	-
At January 31, 2022	49,900