

M.R MESSAGING FZE

UMM AL QUWAIN - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

AND INDEPENDENT AUDITORS' REPORT

**M.R MESSAGING FZE**

**UMM AL QUWAIN - UNITED ARAB EMIRATES**

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**M.R MESSAGING FZE**

**UMM AL QUWAIN - UNITED ARAB EMIRATES**

**DIRECTORS' REPORT**

The Board has the pleasure in presenting the report and the audited financial statements of M/s M.R MESSAGING FZE for the year ended March 31, 2024.

**PRINCIPAL ACTIVITIES:**

The main activities of the company are Information technology, consultants, network consultancies.

There was no significant change in the nature of activities of the Entity during the financial year.

**ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the financial statements are given on pages 9 to 18.

**FINANCIAL ANALYSIS**

The table below summarizes the results of 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
<b><u>Summarized Income Statement</u></b>		
Revenue	79,013,318	76,828,992
Less: Cost of revenue	55,257,455	43,100,191
<b>Gross profit/(loss)</b>	<b>23,755,863</b>	<b>33,728,801</b>
Other income	9,289,599	16,004,171
<b>Total</b>	<b>33,045,462</b>	<b>49,732,972</b>
Less:		
General and administrative expenses	17,629,513	24,382,607
Depreciation of property, plant & equipment	642,671	594,245
Finance charges	1,566,881	318,520
<b>Total expenses</b>	<b>19,839,065</b>	<b>25,295,372</b>
<b>Net profit/(loss) for the year</b>	<b>13,206,397</b>	<b>24,437,600</b>
Gross profit%	30.07%	43.90%
Net profit%	16.71%	31.81%
<b><u>Summarized Balance Sheet</u></b>		
Non current assets	512,151	1,139,516
Current assets	37,760,898	32,238,131
Less:		
Current liabilities	24,331,756	18,791,506
<b>Total</b>	<b>13,941,293</b>	<b>14,586,141</b>
<b><u>Equity</u></b>		
Share capital	300,000	300,000
Retained earnings	13,641,293	14,286,141
<b>Total</b>	<b>13,941,293</b>	<b>14,586,141</b>



## **DIRECTORS' REPORT (CONTD...)**

### **EVENTS AFTER THE REPORTING PERIOD**

In the opinion of the Board no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

### **GOING CONCERN**

The financial statements have been prepared on a going concern basis which assumed that the entity will continue to operate as a going concern for the foreseeable future. The board gives hope and expectations that the Entity has a glorious future ahead of them to continue in operational existence for the foreseeable future.

### **DIRECTORATE**

The shares of the Entity is held by M/s. Routesms Solutions FZE.

The Directors' of the Entity as per Incumbency certificate are:

Mr. Sandipkumar Chandrakant Gupta

Mr. Rajdipkumar Gupta

Mr. Robin Craig Sullivan

### **MANAGER**

The current Manager of the Entity is set out below:

Sandipkumar Chandrakant Gupta

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The Company Law requires the Management to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Entity and of the net profit or loss for the year.

The Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Entity and to enable them to ensure that the financial statements comply with relevant Governing Laws.

### **AUDITORS**

M/s TAMIM - Chartered Accountants, United Arab Emirates were the external auditors of the Entity for the year ending 31<sup>st</sup> March 2024 and the Board propose their re-appointment for the next year.

On behalf of the Board



**Mr. Robin Craig Sullivan**

Director

DUBAI - UNITED ARAB EMIRATES

4<sup>th</sup> May 2024



## INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS

M.R MESSAGING FZE

UMM AL QUWAIN - UNITED ARAB EMIRATES

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of M/s.M.R.MESSAGING FZE, which comprises the statement of financial position as at 31<sup>st</sup> March 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 31<sup>st</sup> March 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

#### Other Information

The Management and Directors are responsible for the other information. The other information comprises Management report which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Directors are responsible for overseeing the Entity's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISA's, 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 disclosure 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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.

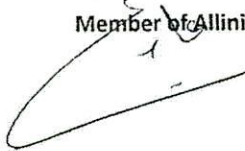
## Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that:

- i) we have obtained all the information and explanations which we considered necessary for our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- iii) the Entity has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Entity;
- v) there is no investment in shares or stocks during the financial year ended 31<sup>st</sup> March 2024;
- vi) note no. 8 to the financial statements discloses material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31<sup>st</sup> March 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles/Memorandum of Association which would have a material impact on its activities or its financial position and
- viii) there are no social contributions made during the year.

The engagement partner on the audit resulting in this independent auditor's report is Aisha Al Mazroua

Tamim Chartered Accountants  
Member of Allinial Global



Aisha Al Mazroua  
Licensed Auditor No. 347  
Dubai, United Arab Emirates  
4th May 2024



**M.R MESSAGING FZE**

UMM AL QUWAIN - UNITED ARAB EMIRATES

**STATEMENT OF FINANCIAL POSITION AS AT 31<sup>st</sup> MARCH 2024**

<u>ASSETS</u>	Notes	31-Mar-24	31-Mar-23
		AEO	AEO
<u>NON CURRENT ASSETS</u>			
Property, plant & equipment	5	511,196	1,138,561
Investments	6	955	955
<b>Total non current assets</b>		<b>512,151</b>	<b>1,139,516</b>
<u>CURRENT ASSETS</u>			
Accounts and other receivables	7	9,579,736	7,347,775
Due from related parties	8.2(a)	24,949,588	20,443,848
Due from directors'	8.2(d)	83,655	-
Cash and cash equivalents	9	3,147,919	4,446,508
<b>Total current assets</b>		<b>37,760,898</b>	<b>32,238,131</b>
<b>TOTAL ASSETS</b>		<b>38,273,049</b>	<b>33,377,647</b>
<u>EQUITY &amp; LIABILITIES</u>			
<u>EQUITY</u>			
Share capital	10	300,000	300,000
Retained earnings		13,641,293	14,286,141
<b>Total equity</b>		<b>13,941,293</b>	<b>14,586,141</b>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Due to related parties	8.2(b)	14,757,753	14,116,712
Due to directors'	8.2(c)	408,755	299,405
Accounts and other payables	11	9,165,248	4,375,389
<b>Total current liabilities</b>		<b>24,331,756</b>	<b>18,791,506</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>38,273,049</b>	<b>33,377,647</b>

(Notes on pages B to 25 form an integral part of these financial statements)

We approve these Financial Statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation.

For M.R. MESSAGING FZE

Director





**M.R MESSAGING FZE**

**UMM AL QUWAIN - UNITED ARAB EMIRATES**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	<b>Notes</b>	<b>AED</b>	<b>AED</b>
Revenue	12	79,013,318	76,828,992
Less: Cost of revenue	13	55,257,455	43,100,191
<b>Gross profit/(loss)</b>		<b>23,755,863</b>	<b>33,728,801</b>
Other income	14	9,289,599	16,004,171
<b>Total</b>		<b>33,045,462</b>	<b>49,732,972</b>
<b>Less:</b>			
General and administrative expenses	15	17,629,513	24,382,607
Depreciation of property, plant & equipment	5	642,671	594,245
Finance charges	16	1,566,881	318,520
<b>Total expenses</b>		<b>19,839,065</b>	<b>25,295,372</b>
<b>Net profit/(loss) for the year</b>		<b>13,206,397</b>	<b>24,437,600</b>
Other comprehensive income/(expenses)		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>13,206,397</b>	<b>24,437,600</b>



**M.R MESSAGING FZE**

UMM AL QUWAIN - UNITED ARAB EMIRATES

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

	Share Capital	Retained Earnings	Total
	AED	AED	AED
<b>Balance as at 31 March 2022</b>	<b>300,000</b>	<b>5,889,541</b>	<b>6,189,541</b>
Total comprehensive income/(loss) for the year	-	24,437,600	24,437,600
Dividend declared during the year	-	(16,041,000)	(16,041,000)
<b>Balance as at 31 March 2023</b>	<b>300,000</b>	<b>14,286,141</b>	<b>14,586,141</b>
Total comprehensive income/(loss) for the year	-	13,206,397	13,206,397
Dividend declared during the year	-	(13,064,945)	(13,064,945)
Adjustments during the year*	-	(786,300)	(786,300)
<b>Balance as at 31 March 2024</b>	<b>300,000</b>	<b>13,641,293</b>	<b>13,941,293</b>

*(Notes on pages 8 to 25 form an integral part of these financial statements)*

\* This represents reconciliation of inter company balances pursuant to acquisition of MR Messaging (Holding) Ltd.



**M.R MESSAGING FZE**

**UMM AL QUWAIN - UNITED ARAB EMIRATES**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 ST MARCH 2024**

		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	<b>Notes</b>	<b>AED</b>	<b>AED</b>
<b><u>Cash flow from operating activities</u></b>			
Operating profit/(loss) for the year		13,206,397	24,437,600
<b><u>Adjustments for:-</u></b>			
Depreciation of property, plant & equipment	5	642,671	594,245
<b><i>Operating cash flows before working capital changes</i></b>		<b>13,849,068</b>	<b>25,031,845</b>
<b><u>Working capital changes</u></b>			
Accounts and other receivables	7	{2,231,961}	2,894,409
Due from related parties	8.2(a)	{4,505,740}	{10,481,468}
Due from directors'	8.2(d)	{83,655}	-
Accounts and other payables	11	4,789,859	{8,896,431}
Due to related parties	8.2(b)	641,041	10,503,238
Due to directors'	8.2(c)	109,350	299,405
<b><i>Cash generated from operating activities</i></b>		<b>12,567,962</b>	<b>19,350,998</b>
<b><u>Cash flows from investing activities</u></b>			
Purchase of Property, plant & equipment	5	{15,306}	{544,675}
<b><i>Net cash flows from investing activities</i></b>		<b>{15,306}</b>	<b>{544,675}</b>
<b><u>Cash flows from financing activities</u></b>			
Retained earnings		{786,300}	-
Dividend declared		{13,064,945}	{16,041,000}
<b><i>Net cash flows from financing activities</i></b>		<b>{13,851,245}</b>	<b>{16,041,000}</b>
<b>Net increase in cash and cash equivalents</b>		<b>{1,298,589}</b>	<b>2,765,323</b>
Opening cash and cash equivalents		4,446,508	1,681,185
<b>Closing cash and cash equivalents</b>		<b>3,147,919</b>	<b>4,446,508</b>

(Notes on pages 8 to 25 form an integral part of these financial statements)



**M.R MESSAGING FZE**

**UMM AL QUWAIN - UNITED ARAB EMIRATES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

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**1 CORPORATE INFORMATION**

**1.1 General**

M/s. **M.R MESSAGING FZE** was incorporated on 15<sup>th</sup> June 2016 and registered with Umm Al Quwain Free Trade Zone Authority as a company with Limited Liability under the license No. 1565, Umm Al Quwain- United Arab Emirates.

The registered office of the Entity is located at Al Shmookh Business Center, One UAQ, UAQ Free Trade Zone, Umm Al Quwain, UAE.

**1.2 Principal activities**

The main activities of the company are Information technology, consultants, network consultancies.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), and applicable requirements of the UAE Federal Decree Law No. (32) of 2021.

**2.2 Basis of preparation**

The financial statements have been prepared on the historical cost basis except for financial instruments and debt and equity financial assets that have been measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**2.3 Functional and presentation currency**

These financial statements are presented in United Arab Emirates Dirham (AED), the Entity's functional and presentation currency and are rounded to the nearest value.

**2.4 Use of estimates and judgments**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

Significant areas where considerable management judgment is required are disclosed along with accounting policies.

**2.5 Going concern**

The financial statements are prepared on a going concern basis which assumed that the Entity will continue to operate as a going concern for the foreseeable future.



## 2.6 Comparative information

\*The accounting policies and estimates adopted are consistent with those used in previous financial years.

\*Certain comparative figures are regrouped and rearranged wherever necessary to conform to the presentation adopted in these financial statements. Such reclassification do not affect previously reported net income or shareholders' equity.

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Changes in accounting policies

The accounting policies applied in the preparation of these financial statements are consistent with those applied by the Entity in its annual audited financial statements as at and for the year ended 31 March 2023, except to the extent of impact of the 'New and revised IFRSs adopted on these financial statements' from 01 April 2023, as set out in Note 4

### 3.2 Foreign currencies

The financial statements are presented in United Arab Emirates Dirham (AED), which is the Entity's functional and presentation currency. Transactions in foreign currencies are recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denomination in foreign currencies are converted at the rate of exchange ruling at the date of financial position. The resultant foreign exchange gains and losses are recognized in the statement of profit or loss.

### 3.3 Fair value measurement

The Company measures financial instruments at fair value at each financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- The financial statements are prepared on a going concern basis which assumed that the Entity will continue
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are mentioned in the respective notes.

### 3.4 Property, plant and equipment

#### (a) Cost and valuation.

Property, plant & equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition or construction. Where items of property, plant and equipment are subsequently revalued such revalued property, plant and equipment are carried at revalued amounts less any subsequent depreciation thereon and impairment.

#### (b) Subsequent costs

Subsequent cost 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 Entity and the cost can be reliably measured.

Cost of repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

#### (c) Depreciation

Depreciation on property, plant & equipment is provided on a straight line basis at the rates calculated to write off the cost of each asset by equal annual instalments over its expected useful life.

Management reviews the residual values and estimated useful lives at the end of each annual reporting period in accordance with IAS 16. Management determined that current year expectations do not differ from previous estimates based on its review.

The rates of depreciation are based upon the following estimated useful lives: -

Computer & Office Equipment	3 Years
Furnitures & Fittings	3 Years

#### (d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

### 3.5 Investment properties

Properties held for rental or capital appreciation purposes as well as those held for undetermined future use are classified as investment properties. Investment properties are measured at cost less accumulated depreciation and impairment loss. Depreciation is charged on a straight line basis over the estimated useful lives as per cost model of International Accounting Standards No. 40.



### 3.6 Investment in associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee, but is not control or joint control over those policies. The consideration made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate is accounted for using the equity method.

Under equity method, the investment in associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate. Any changes in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

### 3.7 Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the Entity and the cost of the assets can be measured reliably. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on straight line basis over their estimated useful lives. The amortisation period and the amortisation method is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

### 3.8 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in-first-out basis. The cost of inventory comprises the cost of purchase and other costs incurred in bringing the inventory to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

### 3.9 Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.



### 3.11 Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of Accounts receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, at transaction costs. Accounts receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way Accounts) are recognized on the Accounts date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

#### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on a specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include bank balances, due from related parties and accounts and other receivables.

#### Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.





For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have such financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have such financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Company does not have such financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and reward of the asset, not transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



- Continued involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

For accounts receivables, the Company has applied a combination of the simplified and general approach permitted by IFRS 9. Simplified approach is applied to a portfolio of accounts receivables that are homogeneous in nature and carry similar credit risk. Under general approach, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, simplified approach requires expected lifetime losses to be recognized from initial recognition of the receivables.

### **3.12 Financial liabilities**

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include due to related parties & accounts and other payables.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

### **3.13 Offsetting financial instruments**

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

### **3.14 Fair value of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



### **3.15 Accounts receivables**

Accounts receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivables are stated at the amounts that they are estimated to realize net of provision for bad and doubtful receivables.

Accounts receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

#### Allowance for doubtful debts

Allowance for doubtful debts is determined using a combinations of factors to ensure that the receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors including the overall quality and ageing of the receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Entity becomes aware of the customer's liability to meet its financial obligations.

### **3.16 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.17 Accounts payables**

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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). If not, they are presented as non-current liabilities. Accounts payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **3.18 Value Added Tax (VAT)**

Revenue, expenses and assets are recognised at amounts net of value added tax except:

- Where VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or part of the expense items, as applicable.
- Where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

### **3.19 Provisions**

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date, that is, the amount that the Company would rationally pay to settle the obligation at the financial position or to transfer it to a third party.

Provisions are reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose which they were originally recognized.



### **3.20 Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

### **3.21 Employee's end of service benefits/(Pension fund)**

The entitlement to employee's end of service benefits is usually based upon the employees' length of services and the completion of a minimum services period. Employees' end-of service benefits is calculated in accordance with the Federal Labour Law of United Arab Emirates and is shown as long term liabilities. The provision for staff terminal benefits is based on the liability that would arise if the employment of all the employees were to be terminated as of the statement of financial position date. The company has not created such provision in the current financial year.

In accordance with the UAE Federal Law No. (7) of 1999 for pension and social security, the employers are required to contribute 12.5% of the contribution calculation salary of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Company's contribution is recognized as an expense in the statement of profit or loss and other comprehensive income as incurred.

### **3.22 Shareholder's accounts**

Shareholder's account has been classified as an equity instrument. In judging whether the account is a financial liability or an equity instrument, management has carefully considered the criteria in the Framework for the Preparation and Presentation of Financial Statements and IAS 32 Financial Instruments: Presentation. Management is satisfied that the shareholders account is appropriately classified as an equity instrument.

### **3.23 Revenue recognition**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Company satisfies a performance obligation by transferring the promised goods to the customer, which is when the customer obtains control of the goods. The amount of revenue recognized is the amount allocated to the satisfied performance obligations.

The Company is engaged in the business of Information Technology Consultants, Internet Consultancy, Computer Systems Consultancies, Software House, Network Consultancies and IT Infrastructure.

#### Sale of goods

Revenue from sale of goods is recognized at the point in time when the control of the asset is transferred to the customer, generally on delivery of material. The goods are often sold with a right of return.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### Rendering of services

The Company is engaged in the business of Information Technology Consultants, Internet Consultancy, Computer Systems Consultancies, Software House, Network Consultancies and IT Infrastructure. Revenue is recognized when the services are rendered to the customer and all criteria for acceptance have been satisfied.



The amount of revenue recognized is based on the estimated transaction price, which comprises the contractual price, adjusted for expected refunds. Based on the Company's experience with similar types of services, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting date, the Company updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained, and its estimate of refund liability. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

Deferred extended warranty to customers

Extended warranty to customers on products sold is deferred and recognized as revenue on time perpetual basis over the term of the related contract.

Deferred extended warranty purchased

Extended warranty purchased from vendors is deferred and recognized as expense on time perpetual basis over the term of the related contract.

**Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of equipment provide customers with a right of return. The rights of return give rise to variable consideration.

- Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognizes a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

**Significant financing component**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Consideration payable to customers

The Company accounts for consideration payable to customers as a reduction of the transaction price if the payment is not for distinct goods or services received from the customer. The Company recognizes the reduction of revenue at the later of: (a) when it recognizes revenue for the transfer of the related goods to the customer; and (b) when it promises to pay the consideration.



### 3.24 Expenditure recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of profit or loss. For the purpose of presentation of the statement of profit or loss, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Entity's performance.

### 3.25 Leases

#### Right-of-use asset

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

#### Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period during which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

## 4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

### 4.1 New and amended standards and interpretations

The Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective from January 1, 2023.



#### **4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTD...)**

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The new and amended standards and interpretations that are issued, effective as of January 1, 2023 are listed below. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

These amendments have no effect on the measurement or presentation of any items in the financial statements of the Company, but affect the disclosure of accounting policies.



M.R MESSAGING FZE

UMM AL QUWAIN - UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

**5 PROPERTY, PLANT & EQUIPMENT**

	Computer & Office Equipment	Furniture & Fittings	Total
	AED	AED	AED
<b><u>Cost</u></b>			
Balance as at 31 March 2023	1,718,022	46,850	1,764,872
Additions during the year	15,306	-	15,306
Balance as at 31 March 2024	<u>1,733,328</u>	<u>46,850</u>	<u>1,780,178</u>
<b><u>Accumulated Depreciation</u></b>			
Balance as at 31 March 2023	615,656	10,655	626,311
Charged for the year	627,054	15,617	642,671
Balance as at 31 March 2024	<u>1,242,710</u>	<u>26,272</u>	<u>1,268,982</u>
<b><u>Net Book Value</u></b>			
Balance as at 31 March 2024	<u>490,618</u>	<u>20,578</u>	<u>511,196</u>
Balance as at 31 March 2023	<u>1,102,366</u>	<u>36,195</u>	<u>1,138,561</u>

In the opinion of the management there is no impairment to the net book value of the property, plant & equipment as at 31<sup>st</sup> March 2024.





**M.R.MESSAGING FZE**

**UMM AL QUWAIN - UNITED ARAB EMIRATES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

<b>6 INVESTMENTS</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Investments in subsidiary*	955	955
	<b>955</b>	<b>955</b>

This represents 100% investments in MR Messaging (Holding) Ltd, at a face value of 233 Euros.

<b>7 ACCOUNTS &amp; OTHER RECEIVABLES</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Accounts receivable	7,716,480	6,824,220
Advance paid to suppliers	901,783	44,040
Staff loans & advances	745,643	460,528
Prepaid expenses	121,847	-
Tax refund	47,794	18,987
Other receivables	38,250	-
Refundable deposits	7,939	-
	<b>9,579,736</b>	<b>7,347,775</b>

<b>Ageing of trade receivables</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Upto 60 days	2,015,970	6,324,117
61 and above	5,700,510	500,103
	<b>7,716,480</b>	<b>6,824,220</b>

**8 RELATED PARTY TRANSACTIONS**

**8.1 Identit of related parties**

Related parties represent associated companies, shareholders, directors, and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

**8.2 Balances**

Balances with related parties at the reporting date are as shown below:

<b>8.2(a) DUE FROM RELATED PARTIES</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
M/s. Mr Messaging Limited	24,371,393	19,824,671
M/s. Mr Messaging South Africa Proprietary Limited	578,195	619,177
	<b>24,949,588</b>	<b>20,443,848</b>

The above amounts represent the net receivable from the related parties made in the normal course of business which neither bear any interest nor has any definite repayment schedule.



**8 RELATED PARTY TRANSACTIONS (CONTD...)****8.2(b) DUE TO RELATED PARTIES**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Mr Messaging (Holding) Limited	14,757,753	14,116,712
	<b>14,757,753</b>	<b>14,116,712</b>

The above amounts represent the net payable to the related parties in the normal course of business which neither bear any interest nor has any definite repayment schedule.

**8.2(c) DUE TO DIRECTORS'**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Due to Directors'	408,755	140,564
Loan from Director- Robin Sullivan	-	158,841
	<b>408,755</b>	<b>299,405</b>

The above amounts represent the net payable to directors' in the normal course of business which neither bear any interest nor has any definite repayment schedule.

**8.2(d) DUE FROM DIRECTORS'**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Loan to Director- Robin Sullivan	83,655	-
	<b>83,655</b>	<b>-</b>

The above amounts represent the net receivable from the directors' made in the normal course of business which neither bear any interest nor has any definite repayment schedule.

**8.3 REMUNERATION TO DIRECTOR**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	<b>1,369,400</b>	<b>462,700</b>

**8.4 RELATED PARTY TRANSACTIONS**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Sales to related party	18,206,049	-
	<b>18,206,049</b>	<b>-</b>

**9 CASH & CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Cash at bank	3,147,919	4,446,508
	<b>3,147,919</b>	<b>4,446,508</b>



**10 SHARE CAPITAL**

The Share capital of the company is AED 300,000 (Three Hundred Thousand) divided into 300 shares of AED 1,000 (One Thousand) each.

Name of Shareholders	No. of Share	Value of Share	Total Value in AED
M/s. Routesms Solutions FZE	300	1,000	300,000
<b>TOTAL</b>	<b>300</b>		<b>300,000</b>

**11 ACCOUNTS AND OTHER PAYABLES**

	31-Mar-24	31-Mar-23
	AED	AED
Accounts payable	2,815,185	847,868
Provisions	6,350,063	3,527,521
	<b>9,165,248</b>	<b>4,375,389</b>

**12 REVENUE**

	31-Mar-24	31-Mar-23
	AED	AED
Revenue	<b>79,013,318</b>	<b>76,828,992</b>

**13 COST OF REVENUE**

	31-Mar-24	31-Mar-23
	AED	AED
Cost of revenue	55,257,455	43,100,191
	<b>55,257,455</b>	<b>43,100,191</b>

**14 OTHER INCOME**

	31-Mar-24	31-Mar-23
	AED	AED
Dividend income	9,113,126	16,004,171
Other income	176,473	-
	<b>9,289,599</b>	<b>16,004,171</b>

**15 GENERAL & ADMINISTRATIVE EXPENSES**

	31-Mar-24	31-Mar-23
	AED	AED
Staff salaries & allowances	5,576,643	9,466,918
Legal & professional charges	4,863,703	2,371,256
Software expenses	4,108,020	3,846,284
Director's remuneration	1,369,400	462,700
Brokerage & commission	1,256,296	7,386,006
Rent	331,860	498,246
Bad debts written off	67,670	74,752
Business promotion	24,603	-
Communication & utilities	14,557	17,104
Office expenses	11,922	50,309
Travelling expenses	4,839	206,407
Repair & maintenance	-	2,625
	<b>17,629,513</b>	<b>24,382,607</b>



**16 FINANCE CHARGES**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
Foreign exchange loss	1,553,747	314,995
Bank charges	13,134	3,525
	<b>1,566,881</b>	<b>318,520</b>

**17 FINANCIAL INSTRUMENTS****17.1 CAPITAL RISK MANAGEMENT**

The Entity manages its capital on a basis that it will be able to continue as a going concern while maximising the return to the shareholders through the optimization of the equity balance.

**17.2 CATEGORIES OF FINANCIAL INSTRUMENTS**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	AED	AED
<b>Financial Assets</b>		
Accounts and other receivables	9,457,889	7,347,775
Due from related parties	24,949,588	20,443,848
Cash and cash equivalents	3,147,919	4,446,508
	<b>37,555,396</b>	<b>32,238,131</b>
<b>Financial Liabilities</b>		
Due to related parties	14,757,753	14,116,712
Accounts and other payables	9,165,248	4,375,389
	<b>23,923,001</b>	<b>18,492,101</b>

**17.3 FINANCIAL RISK MANAGEMENT**

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis.

**a) Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Entity, and arises principally from the Entity's trade and other receivables and bank balances.

The Entity has adopted a policy of only dealing with creditworthy counterparties, for whom the credit risk is assessed to be low. The Entity attempts to control credit risk by monitoring credit exposures, setting credit limits for non-related counterparties and monitoring outstanding receivables.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

**b) Liquidity Risk**

Liquidity risk is the risk that the Entity will be unable to meet its funding requirements. The Entity limits its liquidity risk by ensuring adequate cash from operations and availability of bank facilities.



## 17 FINANCIAL INSTRUMENTS (CONTD...)

The table below summarises the maturities of the Entity's undiscounted financial liabilities as at 31 March 2024 and 31 March 2023 based on the contractual payment dates.

	Carrying value	Less than 1 year	More than 1 year
	AED	AED	AED
<b>31-Mar-24</b>			
<u>Non-derivative financial liabilities</u>			
Due to related parties	14,757,753	14,757,753	-
Accounts and other payables	9,165,248	9,165,248	-
	<b>23,923,001</b>	<b>23,923,001</b>	-
<b>31-Mar-23</b>			
<u>Non-derivative financial liabilities</u>			
Due to related parties	14,116,712	14,116,712	-
Accounts and other payables	4,375,389	4,375,389	-
	<b>18,492,101</b>	<b>18,492,101</b>	-

### *c) Interest Rate Risk*

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

The Entity is exposed to interest rate risk on its interest bearing borrowings.

### *d) Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Entity is exposed to currency risk but the management believes that the credit loss due to the exchange fluctuations will not be material.

## 18 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by management and authorized for issue on

For M.R.MESSAGING FZE  
  
Director

