

SIMPLEX (MIDDLE EAST) LTD
FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2021

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
SIMPLEX (MIDDLE EAST) LTD**

Report on the financial statements

We have audited the accompanying financial statements of SIMPLEX (MIDDLE EAST) LTD, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory notes set out on pages 2 to 10.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation for the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of SIMPLEX (MIDDLE EAST) LTD as of 31 March 2021, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards.

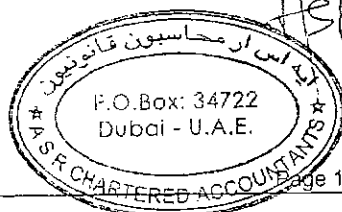
Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 (e) to the financial statements which states that these financial statements relate to the activities carried out by the parent company only. Reference should be made to the financial statements of the subsidiaries to ascertain the state of affairs of the company as a whole.

Report on the other legal and regulatory requirements

We further confirm that the financial statements have been properly prepared in accordance with Ras Al Khaimah Free Trade Zone International Companies Regulations, 2006.

Dubai
United Arab Emirates
Ref: AAR- 989



ASR Chartered Accountants
ASR CHARTERED ACCOUNTANTS
Regn# 529

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SIMPLEX (MIDDLE EAST) LTD
STATEMENT OF FINANCIAL POSITION
31 MARCH 2021

	Notes	31 MAR 2021 AED	31 MAR 2020 AED
NON - CURRENT ASSETS		183,342	183,342
Investment in subsidiary	3	183,342	183,342
CURRENT ASSETS		269,038	294,710
Cash and cash equivalents	4	269,038	294,710
TOTAL ASSETS		<u>452,380</u>	<u>478,052</u>
CURRENT LIABILITIES		74,675	89,300
Trade and other payables	5	74,675	89,300
SHAREHOLDER'S FUNDS		377,705	388,752
Share capital	7	520,000	520,000
Accumulated losses		<u>(142,295)</u>	<u>(131,248)</u>
Equity funds		377,705	388,752
TOTAL EQUITY AND LIABILITIES		<u>452,380</u>	<u>478,052</u>

The accompanying notes form an integral part of these financial statements.
The report of independent auditors is set forth on page 1.

We confirm that we are responsible for these financial statements, including the accounting policies and making judgments underlying them. We further confirm that we have made available all relevant accounting records and information for their compilation.

Approved by the Directors on: 23 / 6 / 2021

For SIMPLEX (MIDDLE EAST) LIMITED


DIRECTOR(S)

SIMPLEX (MIDDLE EAST) LTD

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2021

	Notes	01 APR 2020 to 31 MAR 2021 AED	01 APR 2019 to 31 MAR 2020 AED
REVENUE		---	---
Other operating expenses	8	(11,076)	(9,518)
Other income		29	31
(LOSS) FOR THE YEAR		(11,047)	(9,487)
Other comprehensive income		---	---
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(11,047)	(9,487)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 1.

SIMPLEX (MIDDLE EAST) LTD
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021

	Share capital AED	Accumulated losses AED	Total AED
As at 31 MAR 2019	<u>520,000</u>	<u>(121,761)</u>	<u>398,239</u>
(Loss) for the year	---	(9,487)	(9,487)
As at 31 MAR 2020	<u>520,000</u>	<u>(131,248)</u>	<u>388,752</u>
(Loss) for the year	---	(11,047)	(11,047)
As at 31 MAR 2021	<u>520,000</u>	<u>(142,295)</u>	<u>377,705</u>

The accompanying notes form an integral part of these financial statements.
The report of the independent auditors is set forth on page 1.

SIMPLEX (MIDDLE EAST) LTD

CASH FLOW STATEMENT YEAR ENDED 31 MARCH 2021

	Notes	01 APR 20120 to 31 MAR 2021 AED	01 APR 2019 to 31 MAR 2020 AED
Cash flows from operating activities			
Cash (used in) operations	9	(25,672)	(15,612)
Net cash (used in) operating activities (A)		(25,672)	(15,612)
Cash flows from investing activities			
Net cash from investing activities (B)		---	---
Cash flows from financing activities			
Net cash generated from financing activities (C)		---	---
Net (decrease) in cash and cash equivalents (A+B+C)		(25,672)	(15,612)
Cash and cash equivalents at beginning of the year		294,710	310,322
Cash and cash equivalents at end of the year	4	<u>269,038</u>	<u>294,710</u>

The accompanying notes form an integral part of these financial statements.
The report of the independent auditors is set forth on page 1.

SIMPLEX (MIDDLE EAST) LTD

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

1 LEGAL STATUS AND BUSINESS ACTIVITY

- a) SIMPLEX (MIDDLE EAST) LIMITED is registered as an International company in Ras Al Khaimah Free Zone, UAE in accordance with Ras Al Khaimah Free Trade Zone International Companies regulations, 2006, on 27th October 2008. The registered office of the company is situated at Office No. 1801, Level 18, Rolex Tower, Sheikh Zayed Road, P.O. Box 13094, Dubai, UAE.
- b) The company's object was to engage in any business or businesses whatsoever, and any lawful act or activity for which International companies may be organized under the Ras Al Khaimah Free Trade Zone International Companies Regulations, 2006.
- c) There was no activity during the period
- d) The company is 100% owned by Simplex Infrastructures Limited.
- e) These financial statements relate to the activities carried out by the company only. The consolidated financial statements of the company and its subsidiaries, which are required to be presented in accordance with International Financial Reporting Standards 10; Consolidated Financial Statements, have not been presented.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1st April 2020, and the requirements of Ras Al Khaimah Free Trade Zone International Companies Regulations, 2006. The significant accounting policies adopted, and that has been consistently applied, are as follows:

- a) **Revenue**
There was no revenue generating activity during the year.
- b) **Investments in Subsidiary**
Investment in subsidiary represents the investment in entity over which the parent company has the power to govern the financial and operating policies so as to obtain benefits from activities of subsidiary. Investment in subsidiary is accounted under the cost method less identified impairment loss, if any.
- c) **Foreign currency transactions**
Transactions in foreign currencies are translated into UAE Dirham at the rate of exchange ruling on the date of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirham at the rate of exchange ruling at the statement of financial position date. Gains or losses resulting from foreign currency transactions are taken to the statement of comprehensive income.
- d) **Cash and cash equivalents**
Cash and cash equivalents comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit
- e) **Financial instruments**
Financial assets and financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognised when, and only when, they are extinguished cancelled or expired

SIMPLEX (MIDDLE EAST) LTD

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

Current financial assets that have fixed or determinable payments and for which there is no active market are classified as loans and receivables and are stated at cost or, if the impact is material, at amortized cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognized in the statement of comprehensive income.

Current and non-current financial liabilities which comprise of trade and other payables are measured at cost or, if the impact is material, at amortised cost using the effective interest method.

f) **Significant judgments and key assumptions**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each statement of financial position date, management conducts an assessment of financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of other receivables, if an amount is deemed irrecoverable, it is written off to the statement of comprehensive income or, if previously provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Key assumptions made concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Doubtful debt provisions

Management regularly undertakes a review of the amounts of trade and other receivables, if any, owed to the company either from third parties or from related parties and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of all financial assets, if any, other than receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

g) **Adoption of revised and new International Financial Reporting Standards**

In the opinion of the management, there are no International Financial Reporting Standards, amendments thereto or interpretations that have been issued by the IASB prior to 31 March 2021 but have their effective dates of adoption for future accounting periods, that are likely to have any significant impact on the financial statements.

SIMPLEX (MIDDLE EAST) LTD

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

	31 MAR 2021 AED	31 MAR 2020 AED
3 INVESTMENT IN SUBSIDIARY	183,342	183,342
Investment in Simplex Bangladesh Pvt Ltd.	183,342	183,342
4 CASH AND CASH EQUIVALENTS	269,038	294,710
Bank balances in current accounts	269,038	294,710
(Balance confirmation form the banks not available)		
5 TRADE AND OTHER PAYABLES	74,675	89,300
Simplex Infrastructures Ltd. (Dubai Branch)	74,000	74,000
Other payables	---	14,625
Share application money refundable	675	675
6 RELATED PARTY		
The company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business. Related parties comprise the Shareholder.		
At the statement of financial position date the balances in related party accounts were:		
Share application money refundable to Simplex Infrastructures Ltd (Holding company) (Cr)	675	675
Simplex Infrastructures Ltd (Dubai Branch) (Cr) (Branch of Holding company) (Classified under trade and other payables)	74,000	74,000
7 SHARE CAPITAL	520,000	520,000
Authorized capital AED 50,000,000 (50,000 shares of AED 1,000 each)		
Share capital	520,000	520,000
(520 Shares of AED 1,000/- each, issued and fully paid up)		
	01 APR 2020 to 31 MAR 2021 AED	01 APR 2019 to 31 MAR 2020 AED
8 OTHER OPERATING EXPENSES	11,076	9,518
License, professional fees and other expenses	11,076	9,518
9 CASH (USED IN) OPERATIONS	(25,672)	(15,612)
(Loss) for the year	(11,047)	(9,487)
Adjustments:		
Operating (loss) before changes in operating Assets and liabilities	(11,047)	(9,487)
Increase in trade and other payables	(14,625)	(6,125)
Changes in operating assets / liabilities	(14,625)	(6,125)

SIMPLEX (MIDDLE EAST) LTD

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

10 FINANCIAL INSTRUMENTS

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit, currency, liquidity and cash flow interest rate risks.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

The company transacts in foreign currencies. Exposure is minimized where possible by settling such transactions with the same currency.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities in order to manage exposure to liquidity risk.

Exposures to the abovementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the company to concentrations of credit risk comprise principally bank accounts.

The company's bank accounts are placed with high credit quality financial institutions.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham or at USD, to which the United Arab Emirates Dirham is pegged.

Reasonably possible changes to exchange rates at the statement of financial position date are unlikely to have had a significant impact on profit or equity.

Fair values

The fair value of financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortised cost approximates to their carrying values.

11 CONTINGENT LIABILITIES

Except for ongoing business obligations which are under normal course of business against which no loss is detected, there has been no other known contingent liability or capital commitment on the company's account as at the statement of financial position date.

SIMPLEX (MIDDLE EAST) LTD

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

12 COMPARATIVE FIGURES

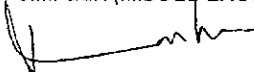
Previous year's amounts have been regrouped / reclassified as it is considered that the revised grouping / classification, which has been adopted in the current accounting year, more fairly presents the state of affairs / results of operations.

The amounts in Director's report and financial statements have been rounded off to the nearest UAE Dirham.

13 REPORTING CURRENCY

The financial statements are prepared in United Arab Emirates Dirham, which is considered to be the principal currency of the economic environment in which company operates.

For SIMPLEX (MIDDLE EAST) LTD



DIRECTOR(S)