

MUKTA A2 MULTIPLEX W.L.L.
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

MUKTA A2 MULTIPLEX W.L.L.
REPORT AND FINANCIAL STATEMENTS
31 March 2022

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MUKTA A2 MULTIPLEX W.L.L.**CORPORATE PROFILE**

Commercial Registration Number	:	99524 - 01 to 06
Shareholders	:	Mukta Arts Limited A.A. Films Private Limited
Board of Directors	:	Akshay Vashdev Bajaj Parvez Akhtar Farooqui Rahul Puri Anil Kundan Thadani
Registered Office	:	Flat No. 423 - Building No. 1013 Road No. 2417 - Block No. 324 Manama Kingdom of Bahrain
Principal Bankers	:	State Bank of India Khaleeji Commercial Bank ICICI Bank
Independent Auditors	:	Moore Stephens Public Accountants and Consultants P.O. Box 10519 16th Floor, Bahrain Tower Manama Kingdom of Bahrain

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents their report and audited financial statements of the Company for the year ended 31 March 2022.

Incorporation

Mukta A2 Multiplex W.L.L., (the "Company") was incorporated in the Kingdom of Bahrain as a Single Person Company with the Ministry of Industry, Commerce & Tourism under the commercial registration number 99524 - 01 obtained on 17 May 2016. The Company has 5 more branches under the commercial registration numbers 99524 - 02, 03, 04 and 05 obtained on 01 September 2016 and 99524 - 06 obtained on 05 September 2016. Subsequently, Decree No. 28 of 2020 issued on 28 September 2020, amended certain provisions of the Bahrain Commercial Companies Law (Law No. 21 of 2001), whereby, Single Person Companies (SPC's) were no longer recognized as legal structures in Bahrain and all SPC's were automatically converted by the Ministry of Industry, Commerce and Tourism into "With Limited Liability" (W.L.L.) companies on 01 December 2020 and the MOA of the Company was amended to reflect the change. Its registered office is Flat No. 423, Building No. 1013, Road No. 2417, Block No. 324, Manama, Kingdom of Bahrain.

Principal activities

The Company is engaged in the business of motion picture projection activities and food and beverage service activities.

Review of current position, future developments and significant risks

The Company's development to date, financial performance and position are as presented in the financial statements.

The most significant risks faced by the Company and the steps taken to manage these risks, are described in note No.6 of the financial statements.

Financial performance

The Company's financial performance for the year is set out on page 8.

Share capital

Pursuant to the amendment made to the Memorandum of Association dated 07 October 2021, the share capital of the Company has been increased to BHD. 100,000/- and 40% shares of the Company owned by Mukta Arts Private Limited has been transferred to A.A. Films Private limited. Further, as on 24 November 2021, the share capital of the Company has been increased to BHD. 200,000/-. The revised capital structure of the Company is as follows;

<u>Shareholders</u>	<u>No. of shares</u>	<u>% of holding</u>	<u>BHD</u>
Mukta Arts Limited	1200	60%	120,000
A.A. Films Private Limited	800	40%	80,000
	<u>2000</u>	<u>100%</u>	<u>200,000</u>

The share capital of the Company consists of 2,000 shares of BHD 100/- each.

Other events

On 11 March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a global pandemic. As a result, economic uncertainties have arisen, and consumer spending has reduced. The COVID-19 outbreak in the Kingdom of Bahrain has resulted in reduced customer traffic, temporary reduction of operating hours for stores and temporary store closures as a government mandate. Given the uncertainty related to the duration and effect of this pandemic, the impact on the Company's financial statements in the long run, if any, cannot be estimated.

Events after reporting period

Pursuant to the amendment made to the Memorandum of Association dated 30 March 2022, the share capital of the Company has been increased to BHD. 250,000/-. The revised capital structure of the Company is as follows;

<u>Shareholders</u>	<u>No. of shares</u>	<u>% of holding</u>	<u>BHD</u>
Mukta Arts Limited	1500	60%	150,000
A.A. Films Private Limited	1000	40%	100,000
	<u>2500</u>	<u>100%</u>	<u>250,000</u>

Except for the above, there were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

(continued to page 3)

MUKTA A2 MULTIPLEX W.L.L
CR NO. 99524

423, JUFFAIR MALL, BUILDING NO. 1013, ROAD NO. 2417, BLOCK 324,
JUFFAIR, P. O. BOX 3194, MANAMA, KINGDOM OF BAHRAIN

TEL: 973 - 1781 3222 | 1781 3666
(continued to page 3)

REPORT OF THE BOARD OF DIRECTORS (continued...)

Board of directors

The members of the Board of Directors as at 31 March 2022 and the Company profile are shown on page 1. All directors presently member of the Board continue in office. There were no significant changes in the assignment of responsibilities of the Board of Directors.

Independent Auditors

The independent auditors, Moore Stephens, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Akshay Vashdev Bajaj
(Director)

Manama,
Kingdom of Bahrain, 12 May 2022



INDEPENDENT AUDITORS' REPORT

To the Shareholders of Mukta A2 Multiplex W.L.L.

Qualified Opinion

We have audited the accompanying financial statements of **Mukta A2 Multiplex W.L.L.** ("the Company"), which comprise the statement of financial position as at 31 March 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies set out on pages 7 to 27.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022 and its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Rent expenses

In the absence of sufficient appropriate audit evidence, we were unable to independently satisfy ourselves as to the occurrence, completeness and accuracy of rent expenses for the year ended 31 March 2022 amounting to BHD. 102,000/- which recognised in the statement of profit or loss and other comprehensive income.

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 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 qualified opinion.

Emphasis of Matter

We draw attention to note no. 3 to the notes to the financial statements which indicates that during the year ended 31 March 2022, the Company has incurred a loss of BHD. 217,720/- (31 March 2021 BHD. 255,650/-) and the accumulated losses as on 31 March 2022 was BHD. 1,382,618/- (31 March 2021: BHD. 1,164,898/-). Accordingly, there is a deficit of BHD. 1,180,475/- (31 March 2021: BHD. 1,112,755/-) in the shareholders' equity. Further, as on 31 March 2022 the Company's current liabilities exceeded its current assets by BHD. 501,318/- (31 March 2021: BHD. 506,864/-). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Bahrain Commercial Companies Law of 2001 (as amended), 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.

(continued to page 5)

INDEPENDENT AUDITORS' REPORT (continued...)

To the Shareholders of Mukta A2 Multiplex W.L.L.

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued...)

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

Those charged with governance are responsible for overseeing the Company'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 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. However, future events or conditions may cause the Company 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 represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT (continued...)

To the Shareholders of Mukta A2 Multiplex W.L.L.

Auditor's Responsibilities for the Audit of the Financial Statements (continued...)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

In accordance with the requirements of the Bahrain Commercial Companies Law of 2001 (as amended), we report that,

- 1) Proper books of account have been kept by the Company and the financial statements are in agreement therewith.
- 2) Except as mentioned in the basis of qualified opinion, we have obtained all the information and explanations we considered necessary for the purposes of our audit and we are not aware of any violations of the Bahrain Commercial Companies Law of 2001 (as amended), that might have had a material adverse effect on the business of the Company or on its financial position. Further, the equity of the Company shows a deficit of BHD. 1,180,475/- (31 March 2021 BHD. 1,112,755/-) on account of accumulated losses amounting to BHD. 1,382,618/- (31 March 2021: BHD. 1,164,898/-).
- 3) The information given in the report of the Board of Directors on page 2 & 3 are consistent with the financial statements.



Partner Registration No. 54
Manama, Kingdom of Bahrain,
12 May 2022



MUKTA A2 MULTIPLEX W.L.L.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2022

	Note	31/3/2022 BHD	31/3/2021 BHD
ASSETS			
Non-current assets			
Property, plant and equipment	7	228,853	299,870
		<u>228,853</u>	<u>299,870</u>
Current assets			
Inventories	8	12,777	12,232
Accounts and other receivable	10	100,922	64,966
Cash and bank balances	11	21,719	12,642
		<u>135,418</u>	<u>89,840</u>
Total assets		<u>364,271</u>	<u>389,710</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	200,000	50,000
Statutory reserve	13	2,143	2,143
(Accumulated losses)		(1,382,618)	(1,164,898)
		<u>(1,180,475)</u>	<u>(1,112,755)</u>
Non - current liabilities			
Employees' leaving indemnity	14	29,568	24,441
Vehicle loan - non current portion	15	-	1,768
Term loan - non current portion	16	90,865	86,377
Due to related party	18 (b)	153,806	197,541
Loan from related party	18 (c)	633,771	595,634
		<u>908,010</u>	<u>905,761</u>
Current liabilities			
Vehicle loan - current portion	15	1,739	1,125
Term loan - current portion	16	42,590	42,590
Accounts and other payable	17	592,407	552,989
		<u>636,736</u>	<u>596,704</u>
Total equity and liabilities		<u>364,271</u>	<u>389,710</u>

On 12 May 2022, the Board of Directors of Mukta A2 Multiplex W.L.L. approved these financial statements.


Akshay Vashdev Bajaj
(Director)



The notes on pages 11 to 27 form an integral part of these financial statements.

MUKTA A2 MULTIPLEX W.L.L.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 March 2022

	Note	31/3/2022 BHD	31/3/2021 BHD
Income			
Revenue from contract with customers	19	292,113	67,492
Cost of sales		(297,702)	(75,605)
Gross (loss)		(5,589)	(8,113)
Other income	20	67,596	34,040
		62,007	25,927
Expenses			
Directors' salary and allowances	18 (a)	(24,788)	(17,175)
General and administration expenses	21	(133,785)	(107,986)
Business promotion expenses		(10,149)	(9,266)
Finance cost		(39,988)	(39,860)
Depreciation	7	(71,017)	(107,290)
		(279,727)	(281,577)
(Loss) for the year		(217,720)	(255,650)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		(217,720)	(255,650)



Akshay Vashdev Bajaj
(Director)



MUKTA A2 MULTIPLEX W.L.L.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

	Share capital <u>BHD</u>	Statutory reserve <u>BHD</u>	(Accumulated losses) <u>BHD</u>	Total <u>BHD</u>
Balance - At 01 April 2020	50,000	2,143	(909,248)	(857,105)
Total comprehensive (loss) for the year	-	-	(255,650)	(255,650)
At 31 March 2021 / 01 April 2021	50,000	2,143	(1,164,898)	(1,112,755)
Increase in share capital	150,000	-	-	150,000
Total comprehensive (loss) for the year	-	-	(217,720)	(217,720)
At 31 March 2022	200,000	2,143	(1,382,618)	(1,180,475)



Akshay Vashdev Bajaj
(Director)



MUKTA A2 MULTIPLEX W.L.L.

STATEMENT OF CASH FLOWS

Year ended 31 March 2022

	31/3/2022 BHD	31/3/2021 BHD
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the year	(217,720)	(255,650)
Depreciation	71,017	107,290
Cash flows from operating activities before working capital changes	(146,703)	(148,360)
Changes in operating assets and liabilities:		
(Increase) / decrease in inventories	(545)	3,549
(Increase) / decrease in accounts and other receivable	(35,956)	6,714
Increase / (decrease) in due to related party	(43,735)	42,199
Increase / (decrease) in loan from related party	38,137	61,166
Increase / (decrease) in accounts and other payable	39,418	27,724
Increase / (decrease) in employees' leaving indemnity	5,127	149
Net cash flows from operating activities	(144,257)	(6,859)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	-	(1,776)
Net cash flows from investing activities	-	(1,776)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in share capital	150,000	-
Net (repayment) / avilment of term loan	4,488	5,085
Net (repayment) of vehicle loan	(1,154)	(1,044)
Net cash flows from financing activities	153,334	4,041
Net increase/(decrease) in cash and cash equivalents	9,077	(4,594)
Cash and cash equivalents		
At the beginning of the year	12,642	17,236
At the end of the year (Refer note no. 11 to the financial statements)	21,719	12,642



Akshay Vashdev Bajaj
(Director)



MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

1. Incorporation and principal activities

Mukta A2 Multiplex W.L.L., (the "Company") was incorporated in the Kingdom of Bahrain as a Single Person Company with the Ministry of Industry, Commerce & Tourism under the commercial registration number 99524 - 01 obtained on 17 May 2016. The Company has 5 more branches under the commercial registration numbers 99524 - 02, 03, 04 and 05 obtained on 01 September 2016 and 99524 - 06 obtained on 05 September 2016. Subsequently, Decree No. 28 of 2020 issued on 28 September 2020, amended certain provisions of the Bahrain Commercial Companies Law (Law No. 21 of 2001), whereby, Single Person Companies (SPC's) were no longer recognized as legal structures in Bahrain and all SPC's were automatically converted by the Ministry of Industry, Commerce and Tourism into "With Limited Liability" (W.L.L.) companies on 01 December 2020 and the MOA of the Company was amended to reflect the change. Its registered office is Flat No. 423, Building No. 1013, Road No. 2417, Block No. 324, Manama, Kingdom of Bahrain.

Principal activities

The Company is engaged in the business of motion picture projection activities and food and beverage service activities.

2. Adoption of new and revised International Financial Reporting Standards

New and amended standards adopted by the Company

The following standards and amendments have become effective for the annual periods commencing on or after 1 January 2021.

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2

As a result of these amendments, among other matters, an entity:

- will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The Management believes the adoption of the above amendments has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for the current accounting period.

New and amended IFRS which are in issue but not yet effective

At the end of the reporting period, the following significant new and revised standards were in issue but not yet effective:

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

- Amendments to IAS 1 'Presentation of financial statements' clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The meaning of settlement of a liability is also clarified. The amendments are applicable for annual periods commencing on or after 1 January 2023.

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use

- Amendments to IAS 16 'Property, plant and equipment' require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related costs in profit or loss, instead of deducting the amounts received from the cost of the asset. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract

- Amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' specify the costs that an entity includes when assessing whether a contract will be loss-making. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to Disclosure of Accounting Policies and Definition of Accounting Estimates

Amendments to Disclosure of Accounting Policies and Definition of Accounting Estimates modify:

MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

2. Adoption of new and revised International Financial Reporting Standards (continued...)

New and amended IFRS which are in issue but not yet effective (continued...)

- IFRS 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- IAS 1, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- IAS 8, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- IAS 34, to identify material accounting policy information as a component of a complete set of financial statements; and
- IFRS Practice Statement 2 Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Annual Improvements to IFRS Standards 2018–2020

Annual Improvements to IFRS Standards 2018–2020 amend:

- IFRS 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;

The Management believes the adoption of the above amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

3. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the requirements of the Bahrain Commercial Companies Law of 2001 (as amended).

Going concern

During the year ended 31 March 2022, the Company has incurred a loss of BHD. 217,720 (31 March 2021 BHD. 255,650/-) and the accumulated losses as on 31 March 2022 was BHD. 1,382,618/- (31 March 2021: BHD. 1,164,898/-). Accordingly, there is a deficit of BHD. 1,180,475/- (31 March 2021: BHD. 1,112,755/-) in the shareholders' equity. Further, as on 31 March 2022 the Company's current liabilities exceeded its current assets by BHD. 501,318/- (31 March 2021: BHD. 506,864/-). These conditions raise a material uncertainty as to the Company's ability to continue as a going concern. The Company is dependent upon the continuing financial support of its shareholders' without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realize its assets and discharge its liabilities in the ordinary course of business.

The financial statements have been drawn up from the accounting records of the company under the historical cost convention. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The financial statements are presented in Bahraini Dinars.

MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented in these financial statements.

Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, normally on delivery to the customer.

Delivery occurs when the goods have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The timing of revenue recognition, billings and collections may result in contract assets, trade receivables and contract liabilities.

Contract assets

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Contract assets are initially recognised for revenue earned on work completed as receipt of consideration is conditional on completion of work done and acceptance by the customer, at which point the contract assets are reclassified to trade accounts receivables, which usually occurs when the Company issues an invoice to the customer.

Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers prior to meeting the revenue recognition criteria or when the amount of consideration received from customers exceed the amount of revenue recognised. Contract liabilities are recognised as revenue when the Company performs under the contract.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight line method so as to write off the cost of each asset to its residual value over its estimated useful life. The major class of depreciable assets and the applicable rates are as follows:-

Leasehold improvements	5%
Machinery and equipments	10% - 20%
Furniture and fixtures	10% - 20%
Computer and accessories	20%
Concession equipments	20%
Motor vehicles	20%

Property, plant and equipment under construction are carried at cost less any identified impairment loss. Costs include supervision fees and related expenses, professional fees, finance costs and borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the Period in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

MUKTA A2 MULTIPLEX W.L.L.**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2022

4. Accounting policies (continued...)**Property, plant and equipment (continued...)**

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Non-derivative Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Receivable

Receivables are initially measured at fair value, and are subsequently measured at amortised cost less impairment, if any. Allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

For purposes of statement of cash flows, cash and cash equivalents comprise of cash and bank balances.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

Accounts payable and accruals

Accounts payable are recognized for amounts to be paid in the future for goods purchased or services availed, whether billed by the supplier or not.

Financial instruments – recognition, classification, measurement, derecognition and offsetting

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.

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. Accounting policies (continued...)

Non-derivative Financial instruments (continued...)

(i) Recognition and initial measurement (continued...)

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(ii) Classification and subsequent measurement

Financial assets: Classification

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or loss (FVTPL).

In order for a financial asset to be classified and measured at amortised cost or FVOCI, 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 SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refer 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 assets, or both.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified or measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company's financial assets include accounts and other receivables and bank and cash balances which are classified and measured at amortised cost.

MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. Accounting policies (continued...)

Non-derivative Financial instruments (continued...)

(ii) Classification and subsequent measurement (continued...)

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of comprehensive income. Any gain or loss on derecognition is recognised in the statement of comprehensive income.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of comprehensive income. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of comprehensive income. Any gain or loss on derecognition is also recognised in the statement of comprehensive income.

The Company's financial liabilities include Accruals

(iii) Derecognition

Financial assets

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

- (i) the rights to receive cash flows from the asset have expired;
- (ii) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- (iii) the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. Accounting policies (continued...)

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade accounts receivable and contract assets and
- Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables and contract assets, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. ECL on trade receivables are calculated based on credit loss experience over the preceding years, ageing of receivables, current market conditions and any reliable forward looking information. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of comprehensive income.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Operating leases

Operating lease payments are recognised as expense in profit or loss on a straight line basis over the lease term as the Company has only short term leases.

Employees' terminal benefits

Employee's terminal benefits and entitlement to annual leave, holiday, air passage and other short term benefits are recognized as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation (SIO) in the Kingdom of Bahrain. The Company's share of contribution to this funded scheme which is defined contribution scheme under IAS-19-Employee benefits, is recognised as an expense in the statement of comprehensive income.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded and represents a defined benefit plan under IAS-19 has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial

Foreign currency translation

1) Functional and presentation currency

Items included in the company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Bahraini Dinars (BHD), which is the company's functional and presentation currency.

MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. Accounting policies (continued...)

Foreign currency translation (continued...)

2) 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 recognized in the statement of comprehensive income.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognised.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the end of the reporting period.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. Critical accounting estimates and judgements

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

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

a) Revenue from contracts with customers

The application of revenue recognition policy in accordance with IFRS 15 has required management to make judgments in identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations, timing of satisfaction of performance obligations, estimating variable consideration and identifying financing components in contracts.

b) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period

MUKTA A2 MULTIPLEX W.L.L.
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

5. Critical accounting estimates and judgements (continued...)
c) Provision for obsolete and slow-moving inventory

The Company reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory. The amount of provision is charged to profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

d) Useful life and residual value of property, plant and equipment

The Company reviews the useful life and residual value of property, plant and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on similar assets of the industry, and future economic benefit expectations of the management.

e) Determining lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

6. Financial instruments and risk management

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instruments. The table below set out the Company's classification of each class of financial assets and financial liabilities:

	31/3/2022	31/3/2021
	BHD	BHD
Financial assets		
Trade receivable	14,690	1,526
Deposits and other receivable (excluding prepayments)	85,502	62,515
Cash and bank balances	21,719	12,642
	<u>121,911</u>	<u>76,683</u>
	31/3/2022	31/3/2021
	BHD	BHD
Financial liabilities		
Trade payable	35,814	61,559
Accrued expenses	211,179	143,879
Other payable	327,886	334,893
Vehicle loan	1,739	2,893
Term loan	133,455	128,967
Loan from related party	633,771	595,634
Due to related party	153,806	197,541
	<u>1,497,650</u>	<u>1,465,366</u>

MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

6. Financial instruments and risk management (continued...)

Financial risk factors

The risk management policies employed by the Company to manage the financial risks are discussed below:

6.1) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Company's accounts receivable are subject to the expected credit loss model. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution. While bank and cash balances are subject to impairment, the identified impairment loss is considered immaterial.

The maximum exposure to credit risk at the end of the reporting period was:

	31/3/2022	31/3/2021
	BHD	BHD
Trade receivable	14,690	1,526
Deposits and other receivable (excluding prepayments)	85,502	62,515
Bank balances	18,020	12,293
	118,212	76,334

The ageing of fee receivable at the reporting date was:

	Gross	Impairment	Gross	Impairment
	31/3/2022	31/3/2022	31/3/2021	31/3/2021
	BHD	BHD	BHD	BHD
0 - 30 days	14,690	-	1,526	-
31 - 60 days	-	-	-	-
More than 60 days	-	-	-	-
	14,690	-	1,526	-

6.2) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company does not have any significant currency risk as the Company's transactions are mainly in Bahraini Dinars and other GCC currencies which are effectively pegged to US dollar.

Interest risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of the changes in market interest rates as the Company has no significant interest-bearing assets. The term loan bears a fixed annual interest rate.

Price risk

The Company's financial assets and liabilities are not exposed to market price risk except for financial assets at fair value through comprehensive income and financial assets at fair value through profit or loss.

MUKTA A2 MULTIPLEX W.L.L.
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

6. Financial instruments and risk management (continued...)
6.3) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

6.4) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available, to meet any future commitments.

The following are the contractual maturities of financial liabilities:

31/3/2022

	Carrying amount	Contractual undiscounted cash flows	Within 6 months	6 to 12 months	More than 12 months
	BHD	BHD	BHD	BHD	BHD
Trade payable	35,814	35,814	35,814	-	-
Accrued expenses	211,179	211,179	211,179	-	-
Other payable	327,886	327,886	327,886	-	-
Vehicle loan	1,739	2,214	2,214	-	-
Term loan	133,455	156,615	19,495	19,495	117,625
Loan from related party	633,771	633,771	-	-	633,771
Due to related party	153,806	153,806	-	-	153,806
	<u>1,497,650</u>	<u>1,521,285</u>	<u>596,588</u>	<u>19,495</u>	<u>905,202</u>

31/3/2021

	Carrying amount	Contractual undiscounted cash flows	Within 6 months	6 to 12 months	More than 12 months
	BHD	BHD	BHD	BHD	BHD
Trade payable	61,559	61,559	61,559	-	-
Accrued expenses	143,879	143,879	143,879	-	-
Other payable	334,893	334,893	334,893	-	-
Vehicle loan	2,893	3,606	696	696	2,214
Term loan	128,967	152,127	19,495	19,495	113,137
Loan from related party	595,634	595,634	-	-	595,634
Due to related party	197,541	197,541	-	-	197,541
	<u>1,465,366</u>	<u>1,489,239</u>	<u>560,522</u>	<u>20,191</u>	<u>908,526</u>

MUKTA A2 MULTIPLEX W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

7. Property, plant and equipment

	Leasehold improvements BHD	Machinery & equipments BHD	Furniture & fixtures BHD	Computer & accessories BHD	Concession equipments BHD	Motor vehicles BHD	Total BHD
Cost:							
Balance - 01 April 2020	216,872	398,688	84,115	23,801	22,792	30,892	777,160
Additions during the year	-	1,776	-	-	-	-	1,776
At 31 March 2021/01 April 2021	216,872	400,464	84,115	23,801	22,792	30,892	778,936
Additions during the year	-	-	-	-	-	-	-
At 31 March 2022	216,872	400,464	84,115	23,801	22,792	30,892	778,936
Depreciation:							
Balance - 01 April 2020	38,443	243,267	38,418	15,743	15,970	19,935	371,776
Charged during the year	10,845	70,059	10,890	4,626	4,693	6,177	107,290
At 31 March 2021/01 April 2021	49,288	313,326	49,308	20,369	20,663	26,112	479,066
Charged during the year	10,846	41,452	8,378	3,432	2,129	4,780	71,017
At 31 March 2022	60,134	354,778	57,686	23,801	22,792	30,892	550,083
Net book amount:							
At 31 March 2022	156,738	45,686	26,429	-	-	-	228,853
At 31 March 2021	167,584	87,138	34,807	3,432	2,129	4,780	299,870

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

8. Inventories		31/3/2022	31/3/2021	
		BHD	BHD	
Stock of food items, beverages etc.		<u>12,777</u>	<u>12,232</u>	
		<u>12,777</u>	<u>12,232</u>	
9. Contract balances				
The Company has recognised the following assets and liabilities relating to contracts with customers:				
		31/3/2022	31/3/2021	
		BHD	BHD	
Trade receivable		<u>14,690</u>	<u>1,526</u>	
10. Accounts and other receivable				
		31/3/2022	31/3/2021	
		BHD	BHD	
Accounts receivable		<u>14,690</u>	<u>1,526</u>	
Deposits		<u>46,410</u>	<u>46,250</u>	
Prepayments		<u>730</u>	<u>925</u>	
Advances		<u>7,730</u>	<u>5,294</u>	
Other receivable		<u>31,362</u>	<u>10,971</u>	
		<u>100,922</u>	<u>64,966</u>	
11. Cash and bank balances				
		31/3/2022	31/3/2021	
		BHD	BHD	
Cash in hand		<u>3,699</u>	<u>349</u>	
Bank balances		<u>18,020</u>	<u>12,293</u>	
		<u>21,719</u>	<u>12,642</u>	
12. Share capital				
	Number of	31/3/2022	Number of	31/3/2021
	Shares	BHD	Shares	BHD
Mukta Arts Limited	<u>1,200</u>	<u>120,000</u>	500	50,000
A.A. Films Private limited	<u>800</u>	<u>80,000</u>	-	-
	<u>1,200</u>	<u>200,000</u>	<u>500</u>	<u>50,000</u>

Pursuant to the amendment made to the Memorandum of Association dated 07 October 2021, the share capital of the Company has been increased to BHD. 100,000/- and 40% shares of the Company owned by Mukta Arts Private Limited has been transferred to A.A. Films Private limited. Further, as on 24 November 2021, the share capital of the Company has been increased to BHD. 200,000/-. The revised capital structure of the Company is as mentioned above.

The share capital of the Company consists of 1,200 shares at BHD. 100/- each.

13. Statutory reserve

Under the provisions of Bahrain Commercial Companies Law 21/2001, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non distributable reserve account until such time an amount equal to 50% of the share capital is set aside. During the year no transfer has been made to the account as the Company has incurred a net loss.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

14. Employees' leaving indemnity

	31/3/2022	31/3/2021
	BHD	BHD
Balance - At 01 January	24,441	24,292
Net movements during the year	5,127	149
Balance - At 31 December	29,568	24,441

15. Vehicle loan

	31/3/2022	31/3/2021
	BHD	BHD
Non - current portion	-	1,768
Current portion	1,739	1,125
	1,739	2,893

16. Term loan (ICICI Bank)

	31/3/2022	31/3/2021
	BHD	BHD
Non - current portion	90,865	86,377
Current portion	42,590	42,590
	133,455	128,967

Movements during the year:

	31/3/2022	31/3/2021
	BHD	BHD
Balance - At 01 April	128,967	123,882
Add: Accrued interest for the year	4,488	5,085
Less: Repaid during the year	-	-
Balance - At 31 March	133,455	128,967

The above loans are secured by the following:

- Creation of charge in the Ministry of Transport in favour of the bank for the vehicles financed.
- Unconditional and irrevocable SBLC/bank guarantee from Yes Bank India having value equal to 103% of the facility amount.

17. Accounts and other payable

	31/3/2022	31/3/2021
	BHD	BHD
Accounts payable	35,814	61,559
Accrued expenses	211,179	143,879
Provision for leave salary and air passage	17,528	12,658
Other payable	305,588	328,982
VAT payable (net)	22,298	5,911
	592,407	552,989

18. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These represent transactions with shareholders, directors and key management of the Company, and entities in which they have significant influence or control.

MUKTA A2 MULTIPLEX W.L.L.
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

18. Related parties (continued...)
Transactions with key management personnel

Key management personnel of the company comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel are the Directors and compensation paid to them during the year is as follows:

a) Directors' salary and allowances

	31/3/2022	31/3/2021
	BHD	BHD
Akshay Vashdev Bajaj	24,788	17,175
	24,788	17,175

b) Due to related party

	31/3/2022	31/3/2021
<u>Nature of relationship</u>	BHD	BHD
Mukta Arts Private Limited	153,806	197,541
Shareholder	153,806	197,541

Due to related party represents expenses met by the related party on behalf of the Company. The above balance is unsecured, interest free and repayable on demand.

The above balance is subject to independent confirmation.

c) Loan from related party

	31/3/2022	31/3/2021
<u>Nature of relationship</u>	BHD	BHD
Mukta Arts Private Limited	633,771	595,634
Shareholder	633,771	595,634

The above loan from related party bears an interest rate of 6% per annum and is repayable after one year.

The above balance is subject to independent confirmation.

19. Revenue from contracts with customers

The following sets out the disaggregation of the Company's revenue from contracts with customers:

	31/3/2022	31/3/2021
	BHD	BHD
a) Type of goods or services		
Box office sales	235,212	27,488
Food and beverage sales	56,901	40,004
	292,113	67,492
b) Timing of satisfaction of performance obligation		
Goods and services transferred at point in time	292,113	67,492
Services and properties transferred over time	-	-
	292,113	67,492
c) Customer relationship		
Third party customers	292,113	67,492
Related party customers	-	-
	292,113	67,492

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

19. Revenue from contracts with customers

	31/3/2022	31/3/2021
	<u>BHD</u>	<u>BHD</u>
d) Geographical locations		
Local sales	292,113	67,492
Middle East (excluding local sales)	-	-
	<u>292,113</u>	<u>67,492</u>

20. Other income

	31/3/2022	31/3/2021
	<u>BHD</u>	<u>BHD</u>
Screen advertising	5,000	1,800
Professional fee income	19,056	15,944
Convenience fee	2,650	-
Interest income	40	60
Commission income	501	-
Reversal of excess provision	5,763	971
Tamkeen grant	5,600	12,000
Payable write back	17,993	-
Miscellaneous income	10,993	3,265
	<u>67,596</u>	<u>34,040</u>

21. General and administration expenses

	31/3/2022	31/3/2021
	<u>BHD</u>	<u>BHD</u>
Staff cost	93,946	82,174
Communication	1,458	2,971
Printing and stationery	248	115
Legal and professional	5,863	5,102
Repairs and maintenance	10,607	2,224
Travelling expenses	404	-
Vehicle running and maintenance expenses	3,160	3,143
Security charges	2,880	-
Discount and commission	12,430	9,381
Office expenses	2,789	2,876
	<u>133,785</u>	<u>107,986</u>

22. Rounding off of figures

All figures have been rounded off to the nearest Bahraini Dinars.

23. Contingent liability

As at 31 March 2022, there were no contingent liabilities arising in the ordinary course of the business, which are expected to give rise to any loss.

MUKTA A2 MULTIPLEX W.L.L.**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2022

24. Other events

On 11 March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a global pandemic. As a result, economic uncertainties have arisen, and consumer spending has reduced. The COVID-19 outbreak in the Kingdom of Bahrain has resulted in reduced customer traffic, temporary reduction of operating hours for stores and temporary store closures as a government mandate. Given the uncertainty related to the duration and effect of this pandemic, the impact on the Company's financial statements in the long run, if any, cannot be estimated.

25. Events after reporting period

Pursuant to the amendment made to the Memorandum of Association dated 30 March 2022, the share capital of the Company has been increased to BHD. 250,000/-. The revised capital structure of the Company is as follows;

Shareholders	No. of shares	% of holding	BHD
Mukta Arts Private Limited	1500	60%	150,000
A.A. Films Private Limited	1000	40%	100,000
	2500	100%	250,000

Except for the above, there were no other events after the reporting period, which have a bearing on the understanding of the financial statements.

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