



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES

United Arab Emirates

MANAGING DIRECTOR'S REPORT

AND

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2023



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
United Arab Emirates

MANAGING DIRECTOR'S REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2023

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KNOWLEDGE PLANET HOLDINGS LIMITED

JAFZA Registration 230554

MANAGING DIRECTOR'S REPORT

As the Managing Director of Knowledge Planet Holdings Limited ("the Company") and its Subsidiaries (together known as "the Group"), I have pleasure in presenting the audited consolidated financial statements of the Group for the period ended 31 March 2023.

Background and Principal Activities

The Company acquired the running business of Knowledge Planet Centre and all the operating entities w.e.f 1 January 2022. Accordingly, this is the first time the Group is preparing consolidated financial statements.

The Group is mainly engaged in the activities of Education support services, language training, computer training, professional and management development training etc.

Financial Results and Future Outlook

During the period, the Group achieved a turnover of AED 9.37 million and the loss of the Group amounted to AED 496,840. The results of the Group are set out in the statement of comprehensive income.

Management Responsibility in Respect of the Financial Statements

As the Managing Director, and part of the management of the Group, I am responsible for the preparation and fair presentation of the financial statements for each year. 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.

I am also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and to ensure that the financial statements comply with any applicable legislation. I am also responsible for safeguarding the assets of the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

I confirm that the Group has complied with the above requirements in preparing these financial statements.

Auditors

The auditors, RSM Dahman have indicated their willingness to continue in office.

The partners approved the financial statements on December 11, 2023

Signed on behalf of the Board of Directors

Mrs. Monika Oli

Managing Director

Dubai

December 11, 2023



PO Box 93195, Dubai, UAE

RSM Dahman Auditors

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS' OF
KNOWLEDGE PLANET HOLDINGS LIMITED**

Report on the Consolidated Financial Statements

Opinion

We have audited the financial statements of Knowledge Planet Holdings Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position as at 31 March 2023 and its financial performance and its consolidated cash flows for the period then ended, in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and The Partners for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and any of the applicable provisions of the UAE Federal Law No. (2) of 2015 and Group's Articles and Memorandum of Association and any regulations issued by the Department of Economic Development, Dubai and, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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Independent Auditors' Report continued...

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 judgement 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the combined financial information of the entities or business activities within the group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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.



KNOWLEDGE PLANET HOLDINGS LIMITED

JAFZA Registration 230554

KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2023

ASSETS	Note	31 March 2023	31 December 2021
		AED	AED
NON-CURRENT ASSETS			
Fixed assets	3	54,386	-
Right-of-use asset	4	2,007,955	-
		<u>2,062,341</u>	<u>-</u>
CURRENT ASSETS			
Accounts and other receivables	5	1,297,121	-
Amount due from related party	7(a)	451,837	-
Bank balances and cash	6	880,855	-
Total current assets		<u>2,629,813</u>	<u>-</u>
Total assets		<u>4,692,154</u>	<u>-</u>
EQUITY AND LIABILITIES			
EQUITY			
Capital	8	10,000	10,000
Capital reserve		550,000	-
(Accumulated losses)		(496,840)	-
Shareholders' current account	9	(335,845)	(10,000)
		<u>(272,685)</u>	<u>-</u>
NON-CURRENT LIABILITIES			
Employees' end of service benefits	10	108,321	-
Lease liability - non - current portion	4	1,092,732	-
Total non-current liabilities		<u>1,201,053</u>	<u>-</u>
CURRENT LIABILITIES			
Unearned revenue and other payables	11	2,768,460	-
Amount due to related party	7(b)	270,218	-
Lease liability - current portion	4	725,109	-
Total current liabilities		<u>3,763,786</u>	<u>-</u>
Total equity and liabilities		<u>4,692,154</u>	<u>-</u>

Independent auditors' report on page (2) to (4).

Mrs. Monika Olf
Managing Director

The attached notes 1 to 17 form an integral part of these financial statements.



PO Box 93195, Dubai, UAE

KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period Ended 31 March 2023

	Note	Fifteen months ended 31 March 2023 AED	Year ended 31 December 2021 AED
INCOME			
Revenue	12	9,368,400	-
Other income		65,754	-
Total income		9,434,154	-
EXPENSES			
Staff Cost		(4,131,481)	-
Managerial remuneration	7	(1,500,000)	-
Short term lease rentals		-	-
Depreciation on right-of-use asset	4	(1,335,016)	-
Interest expense on lease liabilities	4	(162,352)	-
General and administration expenses	13	(2,305,208)	-
Allowance for expected credit losses	5(a)	(496,937)	-
Total expenses		(9,930,994)	-
(LOSS) FOR THE PERIOD		(496,840)	-
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Other comprehensive income		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-
<i>Items that will be reclassified subsequently to profit and loss:</i>			
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD		(496,840)	-

The attached notes 1 to 17 form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period Ended 31 March 2023

	Share capital AED (Note 8)	Retained earnings AED	Capital reserve AED	Shareholders' current accounts AED (Note 9)	Total AED
Balance at 1 January 2021	-	-	-	-	-
<u>Comprehensive income</u>	-	-	-	-	-
Profit for the year	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
<u>Transactions with Owners</u>					
Introduction of share capital	10,000	-	-	(10,000)	-
Net movements during the period	-	-	-	-	-
Total transactions with owners	10,000	-	-	(10,000)	-
Balance at 31 December 2021	10,000	-	-	(10,000)	-
<u>Comprehensive income</u>	-	(496,840)	-	-	(496,840)
(Loss) for the fifteen months period	-	(496,840)	-	-	(496,840)
Total comprehensive income	-	(496,840)	-	-	(496,840)
<u>Transactions with Owners</u>					
Capital reserve on acquisition of subsidiaries	-	-	3,299,387	-	3,299,387
Dividend declared	-	-	(2,749,387)	2,749,387	-
acquired from subsidiaries	-	-	-	(4,407,655)	(4,407,655)
Net movements during the fifteen months period	-	-	-	1,332,423	1,332,423
Total transactions with owners	-	-	550,000	(325,845)	224,155
Balance at 31 March 2023	10,000	(496,840)	550,000	(335,845)	(272,685)

Figures in (brackets) indicate debits.

The attached notes 1 to 17 form an integral part of these financial statements.



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

31 March 2023

	<i>Fifteen months ended 31 March 2023 AED</i>	<i>Year ended 31 December 2021 AED</i>
OPERATING ACTIVITIES		
(Loss) for the period	(496,840)	-
Adjustments for:		
Depreciation on fixed assets	156,919	-
Allowance for expected credit losses	496,937	-
Depreciation on Right-of-use asset	1,335,016	-
Interest expense on lease liabilities	162,352	-
Reversal of provision for end of service benefits	(15,221)	-
Employees' end of service benefits provided during the year	67,666	-
Operating profit before working capital changes	1,706,828	-
Changes in Accounts and other receivables	(924,867)	-
Changes in amount due from related party	(451,837)	-
Changes in amount due to related party	270,218	-
Changes in Unearned revenue and other payables	377,843	-
	978,185	-
Employees' end of service benefits paid during the year	(20,023)	-
Net cash generated from operating activities	958,162	-
INVESTING ACTIVITY		
Purchase of fixed assets	(43,914)	-
Net assets acquired from subsidiary, net of cash	1,718,890	-
Net cash generated from investing activities	1,674,976	-
FINANCING ACTIVITIES		
Introduction of share capital	-	10,000
Net movement in partner's current account	(325,845)	(10,000)
Lease rental paid	(1,426,438)	-
Net cash (used in) financing activities	(1,752,283)	-
CHANGES IN CASH AND CASH EQUIVALENTS	880,855	-
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	-	-
CASH AND CASH EQUIVALENTS AT 31 MARCH / 31 DECEMBER	880,855	-
REPRESENTED BY		
Bank balances and cash	880,855	-

The attached notes 1 to 17 form an integral part of these financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2023

1. LEGAL STRUCTURE AND PRINCIPAL ACTIVITIES

Knowledge Planet Holdings Limited ("the Company") was incorporated on May 27, 2021 in Dubai with the Jebel Ali Free Zone Authority (JAFZA) under trading license number 230554.

The Company was formed by Mrs. Monika Oli and Mr. Sachin Bharti to restructure the ownership of their running business of Knowledge Planet Centre Group. During the period, the ownership of the Company along with the full control of the Group was transferred to Physicswallah Private Limited on 10 March 2023.

The registered office of the Company is P.O Box 93915, Dubai, United Arab Emirates.

The activities carried out by the companies in the group mainly include education support services, language training, computer training, professional and management development training etc.

1.1 BASIS OF CONSOLIDATION

The consolidated financial statements include the assets and liabilities and results of operations of the Company and the following Subsidiaries, collectively referred to as the "Group".

Name of Entity	Beneficial Ownership		Registered Emirate	Registered as
	31 March 2023	31 December 2021		
Knowledge Planet Centre LLC	100%	0%	Dubai	Limited liability Company
Achievers Planet Tests Preparation Center LLC	100%	0%	Dubai	Limited liability Company
Al Fareed Services Tests LLC	100%	0%	Sharjah	Limited liability Company
American Education Centre LLC	100%	0%	Abu Dhabi	Limited liability Company
Knowledge Planet Training Centre LLC	100%	0%	Abu Dhabi	Limited liability Company
Achievers Planet Training Center LLC	100%	0%	Abu Dhabi	Limited liability Company
Dar Al Ibtikar Services Tests	100%	0%	Sharjah	Services Agency

All the above entities were beneficially owned by Mrs. Monika Oli and Mr. Sachin Bharti. In accordance, with an agreement, all the above entities are beneficially transferred to M/s. Knowledge Planet Holdings Limited by Mrs. Monika Oli and Mr. Sachin Bharti with effect from 1 January 2022. The actual transfer of shares may take place subsequently at different dates, but w.e.f. 1 January 2022, all the above entities are subsidiaries of Knowledge Planet Holdings Limited ("Parent Company"). Accordingly, there is no income or expenses in the comparative period.

Control is achieved where all the following criteria are met:

- the Company has power over an entity;
- the Company has exposure, or rights, to variable returns from its involvement with the entity; and
- the Company has the ability to use its power over the entity to affect the amount of the Company's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 March 2023

1 LEGAL STRUCTURE AND PRINCIPAL ACTIVITIES (continued)

1.1 BASIS OF CONSOLIDATION (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

1.2 CHANGE IN FINANCIAL YEAR END

During the period ended 31 March 2023, the Company changed its financial year end from 31 December to 31 March. Therefore, this reporting period is for 15 months and 12 months for the previous year, and comparative results are thus not strictly comparable.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared on going concern basis and in accordance with International Financial Reporting Standards (IFRS) as issued and adopted by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB enforce at 31 March 2023 and the requirements of the local laws and regulations..

Accounting convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments

The financial statements have been presented in the UAE Dirham which is the Company presentation and functional currency.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards, and interpretations effective for the first time and applied:

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3.

These amendments had no impact on the special purpose financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



2 SIGNIFICANT ACCOUNTING POLICIES

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards, and interpretations effective for the first time and applied:

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

- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- Disclosure of Accounting Policies, Classification of Liabilities as Current or Non-current (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts

2.3 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

Fixed assets and depreciation

Fixed assets are initially recorded at cost. Cost includes purchase price and related expenses to bring each of them to its present location. Subsequent to initial recognition as an asset, each asset is carried at its cost less accumulated depreciation less any impairment losses.

Depreciation is provided on all the fixed assets, at rates calculated to write off the cost, less estimated recoverable value based on prices prevailing at the date of acquisition of each asset, over its expected useful life. Expected future cash flows are not discounted to their present values in determining the recoverable amount of items of fixed assets. The estimated useful lives of all items of fixed assets are estimated as follows:

Furniture & Fixture	5 years
Computers & Equipment	5 years
Vehicles	5 years

Leased assets

Accounting policy applicable from 1 January 2019

The Group as a lessee

For any new contracts entered on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.

the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

Measurement and recognition of leases as a lessee (continued)

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and bank balances.

Financial instruments

Classification of Financial Assets

Initial recognition

On initial recognition, a financial asset is classified as measured at (i) amortised cost, (ii) Fair Value through Other Comprehensive Income (FVOCI) or (iii) Fair Value through Profit or Loss (FVTPL).

a) Financial assets measured at amortised cost

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

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

For the year ended on 31 March 2023, the Group's financial assets at amortised cost include accounts and other receivables and cash and cash equivalents.

b) Financial assets measured at FVOCI:

- *Debt Instruments:* Debt Instruments may be classified as at FVOCI, where the contractual cash flows are solely for payments of principal and interest on the outstanding principal, and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling the underlying financial assets.
- *Equity Instruments:* In case of equity instruments which are not held for trading or designated at FVTPL, the Group may irrevocably elect to recognise subsequent changes in other comprehensive income. This election is made on an investment-by-investment basis.

For the year ended on 31 March 2023, the Group did not hold any financial assets which are to be classified as measured at FVOCI.

c) Financial assets measured at FVTPL:

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

For the year ended on 31 March 2023, the Group's did not hold any financial assets which are to be classified as measured at FVTPL.



2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

Business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the frequency, volume and timing of trades of financial assets in prior periods, the reasons for such trades and its expectations about the future trading activity. However, Information about trading activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized;
- how the performance of the portfolio is evaluated and reported to the management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows, nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the outstanding principal.

In assessing whether the contractual cash flows are solely payments of principal and interest on the outstanding principal, the Group considers the contractual terms of the instruments. This includes assessing whether the financial assets contains a contractual terms that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassification of financial assets:

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing such financial assets.

Derecognition of financial assets:

From 1 January 2018, any cumulative gain/loss recognised in the consolidated statement of other comprehensive income in respect of an equity instruments designated as FVOCI is reclassified to retained earnings upon derecognition.

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model followed under IAS 39 with the forward-looking 'expected credit losses' ('ECL') model. Assessing how changes in economic factors affect ECL requires considerable judgement. ECL are determined on a probability-weighted basis.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 March 2023

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

Financial instruments (continued)

Impairment of Financial Assets (continued)

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default where contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Classification of Financial liabilities

Initial recognition

Financial liabilities are classified, at initial recognition (i) at amortised cost or (ii) at FVTPL, or (iii) as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, wherever applicable.

Measurement of financial liabilities:

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

a) *Financial liabilities at FVTPL:*

Financial liabilities at FVTPL including financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL, shall be measured at fair value.

For the year ended on 31 March 2023, the Group has not designated any financial liability as at FVTPL.

b) *Other financial liabilities:*

After initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisitions and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

For the year ended on 31 March 2023, the Group's trade and other payables were designated under this category of financial liability.

Derecognition of 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 with substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

Financial instruments (continued)

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method, less any impairment losses. An impairment allowance is calculated using the ECL approach as defined in IFRS 9. The additional information on the calculation of ECL is described above under the heading of financial instruments. Gains and losses are recognised in profit or loss when the asset is amortisation, modified or impaired. Bad debts are written off when there is no possibility of recovery.

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Fixed Assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Employees' end of service benefits

Provision is made for employees' end of service benefits. Such provision is not less than the amounts payable under the relevant laws and is based on the liability that would arise if the services of all employees were terminated on the reporting date.

Provisions

Provisions are recognized when the Group has a legal or constructive obligation arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five-step model as set out in 'IFRS 15 – Revenue from Contracts with Customers' as follows:

- Step 1. Identify the contract(s) with a customer: A contracts is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.
- Step 2. Identify the performance obligations in the contract: A performance obligations is a promise in a contract with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 March 2023

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

Revenue from contracts with customers (continued)

- Step 3. Determine the transaction price: The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes all of the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is recognized in proportion to the courses delivered by the Group over the period.

Foreign currencies

The functional and reporting currency for the preparation and presentation of these financial statements is AED. Transactions denominated in foreign currencies are translated into AED and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into AED at the exchange rates ruling at the reporting date. Realized and unrealized foreign exchange gains and losses arising on translation are recognized in profit or loss.

2.4 MOST SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements in conformity with International Financial Reporting Standards, the Group has to make significant judgment, estimates and assumptions that impact the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group periodically monitors such estimates and assumptions to make sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures from differing from estimates.

Key judgment, estimates and assumptions are subject to management approval.

At the reporting date, management has mainly made the following key judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements:

- *Useful lives of fixed assets*

The Group determines the estimated useful lives and related depreciation charges for its fixed assets. This estimate is based on quality of the fixed assets. Any changes to the estimated useful life would impact the depreciation charge for the year.



2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 MOST SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

• *Provision for expected credit losses of trade receivables:*

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

• *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

• *Determining the incremental interest rate for lease liability and right-of-use asset*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 March 2023

3 FIXED ASSETS

	<i>Furniture and fixtures AED</i>	<i>Computers & Equipment AED</i>	<i>Vehicles AED</i>	<i>Total AED</i>
<u>Cost:</u>				
At 1 January 2021	-	-	-	-
Additions during the year	-	-	-	-
At 31 December 2021	-	-	-	-
Acquired from subsidiaries	865,451	205,037	1,319,109	2,389,597
Additions during the period	-	43,914	-	43,914
Disposal during the period	-	-	(201,350)	(201,350)
At 31 March 2023	865,451	248,951	1,117,759	2,232,161
<u>Depreciation:</u>				
At 1 January 2021	-	-	-	-
Charge for the year	-	-	-	-
At 31 December 2021	-	-	-	-
Acquired from subsidiaries	865,451	186,849	1,169,906	2,222,206
Charge for the period	-	7,716	149,203	267,261
Related to disposal during the period	-	-	(201,350)	(201,350)
At 31 March 2023	865,451	194,565	1,117,759	2,177,775
<u>Net book value:</u>				
At 31 March 2023	-	54,386	-	54,386
At 31 December 2021	-	-	-	-

4 RIGHT-OF-USE ASSETS

This note provides information for leases where the Group is a lessee. The Group has various lease arrangement which are for offices. Rental contracts are for different periods.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<i>31 March 2023 AED</i>	<i>31 December 2021 AED</i>
<u>Right-of-use asset:</u>		
As at 1 January	-	-
Acquired from subsidiaries	1,213,912	-
Addition during the period	2,129,059	-
Depreciation on right-of-use asset	(1,335,016)	-
As at 31 March	2,007,955	-

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<i>31 March 2023 AED</i>	<i>31 December 2021 AED</i>
<u>Lease liability:</u>		
As at 1 January	-	-
Acquired from subsidiaries	952,868	-
Addition during the period	2,129,059	-
Accretion of interest	162,352	-
Payments	(1,426,438)	-
As at 31 March	1,817,841	-



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
31 March 2023

4 RIGHT-OF-USE ASSETS (continued)

	31 March 2023 AED	31 December 2021 AED
<u>Disclosed as under:</u>		
Current liabilities	725,109	-
Non-current liabilities	1,092,732	-
	<u>1,817,841</u>	<u>-</u>

The following are the amounts recognised in statement of comprehensive income:

	Fifteen months ended 31 March 2023 AED	Year ended 31 December 2021 AED
Depreciation expense of right-of-use assets	1,335,016	-
Interest expense on lease liabilities	162,352	-
Total amount recognised in statement of comprehensive income	<u>1,497,368</u>	<u>-</u>

5 ACCOUNTS AND OTHER RECEIVABLES

	31 March 2023 AED	31 December 2021 AED
Accounts receivable	862,124	-
Less : Allowance for expected credit losses	(647,283)	-
	214,841	-
Prepayments	290,802	-
Refundable deposits and advances	791,478	-
Total accounts and other receivables	<u>1,297,121</u>	<u>-</u>

5 (a) ALLOWANCE FOR EXPECTED CREDIT LOSSES

The movement in allowance against trade receivables is as follows:

	Fifteen months ended 31 March 2023 AED	Year ended 31 December 2021 AED
Balance at the beginning of the year	-	-
Acquired from subsidiaries	1,485,348	-
Provided during the period	496,937	-
Reversal during the period / year	(1,335,002)	-
Balance at the end of the period	<u>647,283</u>	<u>-</u>

6 BANK BALANCES AND CASH

	31 March 2023 AED	31 December 2021 AED
Bank balances	864,966	-
Cash in hand	15,889	-
Total bank balances and cash	<u>880,855</u>	<u>-</u>



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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7 RELATED PARTY TRANSACTIONS

The Group, in the normal course of business, carries out very limited transactions with other entities, which fall within the definition of a related party contained in International Accounting Standard (IAS) No. (24). These transactions are in the nature of Managerial remuneration and Partner withdrawals. The balances with Partners are disclosed in Note 10 under Partners current accounts.

	Fifteen months ended 31 March 2023 AED	Year ended 31 December 2021 AED
<u>Compensation of key management personnel</u>		
Managerial remuneration	1,500,000	-

7(a) AMOUNT DUE FROM RELATED PARTY

	31 March 2023 AED	31 December 2021 AED
<u>Key management personnel</u>		
Mrs. Monika Oli	451,837	-

7(b) AMOUNT DUE TO RELATED PARTY

	31 March 2023 AED	31 December 2021 AED
<u>Parent Company</u>		
Physicswallah Private Limited	270,218	-

8 CAPITAL

The capital of the Company consists of 1000 shares of AED 10 each.

	31 March 2023 %	31 December 2021 %	31 March 2023 AED	31 December 2021 AED
Mr. Sachin Bharti	-	50	-	5,000
Mrs. Monika Oli	-	50	-	5,000
Physicswallah Private Limited	100	-	10,000	-
Total capital	100	100	10,000	10,000

During the period, Mrs. Monika Oli and Mr. Sachin Bharti transferred their shares of the company to Physicswallah Private Limited. Share certificate issued to Physicswallah Private Limited on 10 March 2023.

Capital management risk

The Group's objectives when managing capital are to ensure its ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of partners and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

9 SHAREHOLDERS' CURRENT ACCOUNT

	Balance at 1 January 2022 AED	Acquired from subsidiaries AED	Net movements during the period AED	Balance at 31 March 2023 AED
Mr. Sachin Bharti	(5,000)	1,053,000	(1,048,000)	-
Mrs. Monika Oli	(5,000)	(5,460,655)	5,465,655	-
Physicswallah Private Limited	-	-	(335,845)	(335,845)
Total	(10,000)	(4,407,655)	4,081,810	(335,845)



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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10 EMPLOYEES' END OF SERVICE BENEFITS

	31 March 2023 AED	31 December 2021 AED
Balance at 1 January	-	-
Acquired from subsidiaries	75,899	-
Provision for the year	67,666	-
Reversal during the year	(15,221)	-
Payments made during the year	(20,023)	-
Balance at 31 December	<u>108,321</u>	<u>-</u>

11 UNEARNED REVENUE AND OTHER PAYABLES

	31 March 2023 AED	31 December 2021 AED
Unearned revenue	764,388	-
Accrued expenses	473,215	-
Advances from customers	1,442,246	-
VAT payable	37,066	-
Other payables	51,545	-
Total unearned revenue and other payables	<u>2,768,460</u>	<u>-</u>

12 REVENUE

	Fifteen months ended 31 March 2023 AED	Year ended 31 December 2021 AED
Tuition fees	<u>9,368,400</u>	<u>-</u>

13 GENERAL AND ADMINISTRATION EXPENSES

	Fifteen months ended 31 March 2023 AED	Year ended 31 December 2021 AED
Professional charges	269,268	-
Depreciation	156,919	-
Printing and stationery	106,382	-
Travelling and conveyance	195,557	-
Marketing expense	187,051	-
Repair and maintenance	21,746	-
Office expenses	700,014	-
Bank charges	97,966	-
Other expenses	300,086	-
Total general and administrative expenses	<u>2,034,989</u>	<u>-</u>

14 FINANCIAL INSTRUMENTS

The financial assets and liabilities are recognized in the Group's statement of financial position when the Group has become a party to the contractual provisions of the instruments. The financial assets carried on the statement of financial position include bank balances, accounts receivable, deposits and advances.

The financial liabilities carried on the statement of financial position include borrowings, payables, accruals and due to related parties. The accounting policies for financial assets and liabilities are set out in note (2).



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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14 FINANCIAL INSTRUMENTS (continued)

The following table summarizes the carrying amount of financial assets and liabilities recorded at 31 March by IFRS 9 category:

	31 March 2023 AED	31 December 2021 AED
FINANCIAL ASSETS		
At amortised cost		
- Accounts receivables	214,841	-
- Deposits and other receivables	625,959	-
- Amount due from related party	451,837	-
- Cash and cash equivalents	880,855	-
At fair value through OCI		
- with recycling of cumulative gains and losses	-	-
- with no recycling of cumulative gains and losses upon derecognition	-	-
At fair value through profit or loss		
- those designated as such upon initial recognition	-	-
- those classified as held for trading	-	-
Balance at 31 March	2,173,492	-
FINANCIAL LIABILITIES		
At fair value through the statement of comprehensive income	-	-
Measured at amortised cost:		
- Borrowings	-	-
- Derivative financial instruments	-	-
- Other financial liabilities	2,379,668	-
Balance at 31 March	2,379,668	-

Fair Value

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. When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Group at the end of the reporting period during which the change occurred.



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
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15 ACQUISITION OF SUBSIDIARIES

On January 1, 2022 Knowledge Planet Holdings Limited acquired the running business of Knowledge Planet Centre Group as part of restructure and the ultimate beneficiaries are Mrs. Monika Oli and Mr. Sachin Bharti.

(a) Details of the assets and liabilities acquired are as follows:

	1 January 2022 AED
ASSETS	
Fixed assets (net of depreciation)	167,391
Right of use assets	1,213,912
Accounts and other receivables	869,192
Bank balances and cash	1,160,622
Total Assets	3,411,117
LIABILITIES	
Employee's end of service benefits	75,899
Lease Liability- Non-current	96,793
Unearned revenue and other payables	2,390,617
Lease Liability- Current	856,076
Total Liabilities	3,419,384
Total identifiable net assets value at fair value	(8,268)
Less: Bank balances and cash	(1,160,622)
Gain on bargain purchase	(1,168,890)
Capital reserve	(550,000)
Net assets acquired from subsidiary, net of cash	(1,718,890)

16 INFORMATION ON FINANCIAL RISKS

The Group is mainly exposed to the following risks:

Credit risk

The Group's cash is placed with local banks with good credit ratings. The Group's trade accounts receivable are considered good by management except in cases where specifically provided for.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Carrying amount 31 March 2023 AED	Allowance for expected credit losses 31 March 2023 AED	Carrying amount 31 December 2021 AED	Allowance for expected credit losses 31 December 2021 AED
0 – 90 days	58,042	-	-	-
91 – 180 days	110,275	-	-	-
181 – 365 days	118,343	71,816	-	-
Above 365 days	575,467	575,467	-	-
	862,127	647,283	-	-

Liquidity risk

The Group limits its liquidity risk by ensuring support funds are available to it by way of borrowings. The Group does expect to pay all liabilities at their contractual maturity. In addition, the Group expects the operating activities to generate sufficient cash inflows that will enable it to meet its liabilities as they fall due.



KNOWLEDGE PLANET HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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16 INFORMATION ON FINANCIAL RISKS (continued)

Interest rate risk

The Group does not have exposure to interest rate risks as all of its liabilities are non-interest bearing.

Currency risk

The United Arab Emirates Dirham (AED) is the functional and reporting currency for the preparation and presentation of these financial statements. All assets and liabilities are held in AED. The Group does not have any other foreign currency transaction during the year hence exposure to currency risk is nil.

17 SIGNIFICANT EVENTS

17(a) CORPORATE INCOME TAX

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

A rate of 9% will apply to taxable income exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance), a rate of 0% will apply to taxable income not exceeding this threshold [and a rate of 0% on qualifying income of free zone entities]. In addition, there are several other decisions that are yet to be finalized by way of a Cabinet Decision that are significant in order for entities to determine their tax status and taxable income. Therefore, pending such important decisions, the Company has considered that the Law, as it currently stands, is not substantively enacted as at 31 March 2023 from the perspective of IAS 12 – Income Taxes. The Company shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine their tax status and the application of IAS 12 – Income Taxes.

The Company is currently in the process of assessing the possible impact on the consolidated financial statements, both from current and deferred tax perspective, once the Law becomes substantively enacted.

17(b) CHANGE IN OWNERSHIP

Knowledge Planet Holdings Limited was formed by Mrs. Monika Oli and Mr. Sachin Bharti to restructure ownership of the running business of the Knowledge Planet Centre Group. During the period the ownership of the Company along with the full control of the Group was transferred to Physicswallah Private Limited on 10 March 2023.

