Company Registration No. 06818987 (England and Wales)

MARA INC (LONDON) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

Directors	Siti Aminah binti Ismail Afiq Ashari bin Suriyadi
Company number	06818987 (England and Wales)
Registered address and business address	Beaumont House 17-19 Princes Square London W2 4NR
Independent auditor	Silver Levene (UK) Limited Chartered Certified Accountants 37 Warren Street London W1T 6AD

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MARA INC (LONDON) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of Mara Inc (London) Limited for the year ended 31 December 2021.

Principal activities and business review

The principal activity of the company during the year was the provision of student accommodation services. The company administered a property leased from a fellow subsidiary, trading as "Beaumont House" in London.

Despite the COVID-19 Pandemic, the hostel remains in operation to accommodate those International students remain in the country. UK is one of the leading places in the world for higher education. Brexit is unlikely to alter the number of foreign students coming to UK in the near future.

It is considered that the development of the company in the year and its position as at 31 December 2021 are fairly set out in the accompanying accounts.

Results and dividends

The results for the year are set out on page 8. No ordinary dividends were paid. The directors do not recommend payment of final dividend.

Financial instruments

The financial instruments and risk profiles of the company are set in note 16.

Directors and their interests in the shares of the company

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Siti Aminah binti Ismail
Afiq Ashari bin Suriyadi

As at 31 December 2021, none of the directors, direct or indirectly held any interest in the paid up share capital of the company.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The company is currently facing unprecedented uncertainty about the Impact of COVID-19 Pandemic. The directors have foreseen the challenges in the coming months. Significant judgements and assumptions have been made by the directors are disclosed in note 2.2.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Silver Levene (UK) Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board

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Afiq Ashari bin Suriyadi
Director

23 March 2022

SILVER LEVENE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARA INC (LONDON) LIMITED

Opinion
We have audited the financial statements of Mara Inc (London) Limited for the year ended 31 December 2021, which comprises the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of the company's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

SILVER LEVENE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MARA INC (LONDON) LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing directors' report and take advantage of the small companies exemption from requirement to prepare a strategic report.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include International Financial Reporting Standards, Company Law, Tax legislation, Health and Safety legislation, General Data Protection Regulation, Pensions legislation, and distributable profits legislation.
- It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MARA INC (LONDON) LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Goh Yong Chong (Senior Statutory Auditor)
for and on behalf of Silver Levene (UK) Limited
Statutory Auditor
Chartered Certified Accountants
37 Warren Street
London
W1T 6AD

25 March 2022

MARA INC (LONDON) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Revenue	3	508,268	526,395
Cost of sales		(144,814)	(147,047)
Gross profit		363,454	379,348
Other Income	4	-	3,542
Administrative expenses		(261,923)	(282,776)
Reversal/(impairment) of right-of-use asset	9	217,000	(217,000)
Impairment losses on financial assets	10	(320,121)	(523,980)
Reversal of impairment losses on financial assets	10	-	122,167
Finance costs	7	(2,135)	(2,831)
Loss before tax		(3,725)	(521,530)
Income tax expense	8	-	(304)
Loss for the year	5	**(3,725)**	**(521,834)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(3,725)**	**(521,834)**

The notes on pages 12 to 22 form part of these financial statements.

All amounts are derived from continuing operations.

MARA INC (LONDON) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Non-current assets			
Right-of-use assets	9	370,106	301,149
		370,106	301,149
Current assets			
Trade and other receivables	10	-	197,947
Cash and cash equivalents		133,882	134,495
		133,882	332,442
Total assets		**503,988**	**633,591**
Capital and reserves			
Share capital	11	20,000	20,000
Retained earnings		(3,733,473)	(3,729,748)
Total equity		(3,713,473)	(3,709,748)
Non-current liabilities			
Lease liabilities	12	224,161	372,725
		224,161	372,725
Current liabilities			
Other payables	13	3,844,737	3,822,750
Lease liabilities	12	148,563	147,864
		3,993,300	3,970,614
Total liabilities		4,217,461	4,343,339
Total equity and liabilities		**503,988**	**633,591**

The notes on pages 12 to 22 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the directors and authorised for issue on 23 March 2022.

Siti Aminah Binti Ismail
Director

Afiq Ashar bin Suriyadi
Director

MARA INC (LONDON) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2020	**20,000**	**(3,207,914)**	**(3,187,914)**
Loss and total comprehensive income	-	(521,834)	(521,834)
Balance at 31 December 2020	**20,000**	**(3,729,748)**	**(3,709,748)**
Loss and total comprehensive income	-	(3,725)	(3,725)
Balance at 31 December 2021	**20,000**	**(3,733,473)**	**(3,713,473)**

MARA INC (LONDON) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flow from operating activities		
Loss for the year	(3,725)	(521,834)
Adjustments for:		
Income tax recognised in profit or loss	-	304
Finance costs recognised in profit or loss	2,135	2,831
(Reversal)/impairment charge on right-of-use assets	(217,000)	217,000
Impairment losses on financial assets	320,121	523,980
Reversal of impairment losses on financial assets	-	(122,167)
Depreciation of right-of-use assets	148,043	148,043
	249,574	248,157
Movements in working capital:		
Increase in trade and other receivables	(122,174)	(73,585)
Increase/(Decrease) in trade and other payables	21,987	(110,680)
Cash generated from operations	149,387	63,892
Income tax refunded	-	83,289
Net cash generated from operating activities	149,387	147,181
Financing activities		
Repayment of lease liabilities	(150,000)	(150,000)
Net cash used in financing activities	(150,000)	(150,000)
Net decrease in cash and cash equivalents	(613)	(2,819)
Cash and cash equivalents at beginning of period	134,495	137,314
Cash and cash equivalents at end of period	133,882	134,495

1 GENERAL INFORMATION

Mara Inc (London) Limited is a private company limited by shares incorporated and domiciled in England and Wales. The address of the registered office is Beaumont House, 17-19 Princes Square, London, W2 4NR. The principal place of business is same as its registered office address.

The nature of the company's operations and its principal activities are described on page 3 of the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared prepared in accordance with UK-adopted International Accounting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), including related Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

New and amended standards adopted by the company (UKEB effective date 5 January 2021 and 12 May 2021)

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4).
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).

Standards and amendments listed above did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future periods.

Standards, amendments and interpretations (not yet endorsed by UKEB at 19 November 2021)

- IFRS 17: Insurance Contracts (May 2017); including Amendments to IFRS 17 (June 2020)
- Deferred Tax related to Assets and Liabilities arising from a Single Transactions (Amendments to IAS 12) (May 2021)
- Definition of Accounting Estimates (Amendments to IAS 8) (February 2021).
- Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) (February 2021).
- Annual Improvements to IFRS 2018–2020 (May 2020).
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37) (May 2020).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (May 2020).
- Reference to the Conceptual Framework (Amendments to IFRS 3) (May 2020).
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) and Deferral of Effective Date Amendment (January 2020 and July 2020).

2.2 Basis of preparation and going concern

The financial statements are prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements were drawn up in Pound Sterling (£), the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The directors continue to adopt the going concern basis of accounting in preparing the financial statements. The impact of COVID-19 has slowed down in the start of year 2022 with easing restriction on travel. The directors of the company have reviewed forecasts for a period of at least 12 months from the date of authorisation of these financial statements. They have also received a letter of financial support from its ultimate corporate shareholder at the time of signing these financial statements. Consequently, on the basis of all preceding events and actions, the directors consider it is appropriate that these financial statements are prepared on the going concern basis.

The financial statements do not include any adjustments that would result if such supports were withdrawn. If the company was unable to continue to trade, adjustments would have to be made to reduce the value of assets to their recoverable amounts, provide for further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and liabilities.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue derived from hire of rooms is recognised on the arrival of the guests.

2.4 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.5 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the end of reporting period and the gains or losses on translation are included in the statement of profit or loss.

2.6 Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

The liability for employees' compensation for unutilised leave is accrued in relation to services rendered by employees and relates to rights which have been vested. These amounts are not discounted.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.7 Leases

The company as lessee

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of reporting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Deferred tax assets and deferred tax liabilities are offset.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case it is recognised in equity.

2.9 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.10 Financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the company measures a financial asset at its fair value, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets of the company are trade receivable, other receivables and loan to related parties which are measured subsequently at amortised cost.

2.10 Financial assets (continued)

Impairment

The company recognises a loss allowance for expected credit losses on trade receivable, other receivables and loan to related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company always recognises lifetime ECL for trade receivables, other receivables and loan to related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2.11 Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash equivalents would include advances from banks repayable within 3 months from the date of the advance.

2.12 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include trade and other payables and bank borrowings.

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

All borrowings and overdrafts are recorded at the amount of the proceeds received, net of direct issue costs. Finance charges are charged to the statement of profit or loss on an accruals basis using the effective interest rate method.

Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs.

2.13 Provisions

Provisions are recognised when the combined entity has a present legal or constructive obligation as a result of a past event where it is probable that the obligation will result in an outflow of economic benefits that can be reasonably estimated.

2.14 Related parties

For purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under significant influence of related parties of the company where those parties are individuals and post-employment benefit plans which are for the benefit of employees of the company or of any entity that is a related party of the group.

2.15 Accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires management to make assumptions that affects the application of accounting policies and the amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other relevant factors, the results of which form the basis for the judgements that underlie the carrying value of the assets and liabilities. Actual results may differ from these estimates. The most significant areas in which judgements are required relate to the estimate of useful economic lives and residual values of non-current assets and the recoverable amount of current and non-current assets. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both the current and future periods.

The company makes estimates and assumptions concerning the future. During the years under review, there were no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the company.

Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use assets, the management has estimated that the entirety of the lease payments will be recoverable based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a period up to lease expiry, and a discount rate of 8% per annum.

3 REVENUE

The company's principal revenue is mainly derived from the hire of rooms in the UK.

4 OTHER INCOME

	2021	2020
	£	£
Interest on tax repayment	-	2,501
Coronavirus Job Retention Scheme	-	1,041
	-	3,542

5 LOSS FOR THE YEAR

Loss for the year from continuing operations has been arrived at after charging/(crediting):

	2021	2020
	£	£
Employee benefit expense (note 6)	119,895	136,160
Auditor's remuneration	16,000	21,000
Loss allowance on receivables	320,121	523,980
Reversal of loss allowance on receivables	-	(122,167)

6 EMPLOYEE BENEFIT EXPENSE

	2021	2020
	£	£
Wages and salaries	110,772	125,188
Social security costs	7,636	9,940
Other benefits	1,487	1,032
	119,895	136,160
Average number of employees including directors	6	7

7 FINANCE COSTS

	2021	2020
	£	£
Interest on lease liabilities	2,135	2,831

8 INCOME TAX EXPENSE

(a) Amount recognised in profit or loss

	2021	2020
	£	£
Adjustments in respect of prior years	-	304
	-	304

The company is regarded as residence for tax purposes in the UK. No current tax charge is recognised during the period due to group relief claimed.

(b) Reconciliation of effective tax rate

	2021	2020
	£	£
Loss before tax from continuing operations	(3,725)	(521,530)
Tax at of 19% (2020: 19%)	(708)	(99,091)
Factor affecting income tax charge:		
Expenses not deductible	60,823	76,345
Income not taxable	-	(475)
Prior year adjustments	-	304
Tax losses carried forward	-	23,221
Utilisation of tax losses	(44,323)	-
Group relief	(15,792)	-
Income tax expense recognised in profit or loss	-	304

The UK Budget 2021 announcements on 3 March 2021 included measures for business to contribute to the economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These financial statements do not reflect the impact of this change as it was not substantively enacted by the balance sheet date.

9 LEASES

Right-of-use assets

	£
Cost	
At 1 January 2020, 31 December 2020 and 31 December 2021	814,235
Accumulated depreciation and impairment	
At 1 January 2020	148,043
Charge for the year	148,043
Impairment charge	217,000
At 31 December 2020	513,086
Charge for the year	148,043
Reversal of impairment	(217,000)
At 31 December 2021	444,129
Carrying amount	
At 31 December 2021	370,106
At 31 December 2020	301,149

The company leased buildings from a related party. At the end of the reporting period, the remaining lease is 2.5 years. There are no extension or termination options on the lease.

The maturity analysis of lease liabilities is presented in note 12.

Amount recognised in the statement of profit or loss

	2021	2020
	£	£
Depreciation charge of right-of-use assets - buildings	148,043	148,043
(Reversal)/impairment of right-of-use assets - buildings	(217,000)	217,000
Interest expense	2,135	2,831

The reversal of impairment loss is due to change in the estimates used to determine the recoverable amount.

The total cash outflow for leases in 2021 was £150,000.

10 TRADE AND OTHER RECEIVABLES

	2021	2020
	£	£
Amount due from related parties (note 14)	3,862,394	3,740,220
Loss allowance	(3,862,394)	(3,664,440)
Reversal of loss allowance	-	122,167
	-	197,947

<u>*Impairment of related party loans*</u>

The changes in the loss allowance were due to impairment recognised in the year on certain related party loans in which credit risk has increased.

11 SHARE CAPITAL

	2021 £	2020 £
Authorised shares:		
Ordinary shares of £1 par value per share	1,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of £1 par value per share	20,000	20,000

12 LEASE LIBILITIES

Maturity analysis:

	2021 £	2020 £
Year 1	148,563	147,864
Year 2	149,265	148,563
Year 3	74,896	149,265
Year 4	-	74,897
	372,724	520,589
Less: unearned interest	2,275	4,410
	370,449	516,179
Analysed as:		
Current	148,563	147,864
Non-current	224,161	372,725
	372,724	520,589

The company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the company's treasury function.

13 OTHER PAYABLES

	2021 £	2020 £
Amount due to related parties (note 14)	3,745,551	3,715,465
Other taxation and social security	8,900	12,096
Other payables	90,286	95,189
	3,844,737	3,822,750

14 RELATED PARTY TRANSACTIONS

At the end of the reporting period, balances due from/(to) related parties are as follow:

	2021 £	2020 £
Thrushcross Land Holdings Ltd	-	(19,279)
Mara Ventures Limited	3,447,953	3,341,294
Mara Incorporated Sdn. Bhd.	336,790	321,275
Beaumont House Limited	(3,745,551)	(3,696,186)
Majlis Amanah Rakyat	77,651	77,651
	116,843	24,755
Loss allowance	(3,862,394)	(3,664,440)
Reversal of loss allowance	-	122,167
	(3,745,551)	(3,517,518)

The amounts outstanding are unsecured with no fixed repayment terms and no interest is charged.

The lease arrangement disclosed in note 9 were carried out with Beaumont House Limited.

Related parties

a) Thrushcross Land Holdings Ltd, Mara Ventures Limited and Beaumont House Limited are members of the same group that is wholly owned. All these companies were incorporated in British Virgin Islands;
b) Mara Incorporated Sdn. Bhd. is the immediate parent, a company incorporated in Malaysia;
c) Majlis Amanah Rakyat, the controlling party of all is a statutory body incorporated in Malaysia under Majlis Amanah Rakyat Act, 1966.

Key management compensation

Key management include directors of the company. There were no remuneration paid or payable by the company to key management for employee services during the year.

15 CAPITAL RISK MANAGEMENT

The company manages its capital to ensure that it will be able to continue as a going concern while attempting to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of cash and cash equivalents and equity (comprising share capital and retained earnings).

The company manages its capital structure by making necessary adjustments to it in response to the changes in economic conditions. The company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2021.

16 FINANCIAL RISK MANAGEMENT

The company is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk and interest risk), credit risk and liquidity risk.

The company currently does not have any written risk management policies and guidelines. However the directors work closely with the key management to analyse and formulate strategies to manage and monitor financial risk. The company has not used any derivatives or other financial instruments for hedging and speculative purposes. The most significant financial risks to which the company is exposed to are described below.

(i) Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position related to the following categories of financial assets and financial liabilities are as follow:

	2021	2020
Financial assets	£	£
Loans to related parties	-	197,947
Cash and cash equivalents	133,882	134,495
	133,882	332,442

	2021	2020
Financial liabilities	£	£
Other payables	3,125	7,236
Loans from related parties	3,745,551	3,715,465
Lease liabilities	372,724	520,589
	4,121,400	4,243,290

(ii) Foreign currency risk

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

Currently, the company is not exposed to foreign currency risk as its business mainly transacted in £.

(iii) Interest rate risk

Interest rate risk arises from the potential changes in interest rates that may have an adverse effect on the company in the current reporting period and in future years. The company is not exposed to interest rate risk because the company does not have bank borrowings.

(iv) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The company's exposure and the credit ratings of its trading counterparties are monitored by the directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

Quantitative disclosures of the credit risk in relation to trade and other receivables are disclosed in note 10.

The carrying amount of the financial assets recorded on the statement of financial position at the end of the reporting period represents the company maximum exposure to credit risk in relation to financial assets.

16 FINANCIAL RISK MANAGEMENT (continued)

In order to minimise credit risk, the management has developed and maintained the company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the company's own trading records to rate its major customers and other debtors.

The company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery	Amount is written off

At the end of the reporting period, the company has no exposure to credit risk.

(v) Liquidity risk

Liquidity risk relates to the risk that the company will not be able to meet its obligations associated with its financial liabilities. The company's objective is to maintain a balance between continuity of funding and flexibility through the financial support of related companies.

The company's policy is to regularly monitor its liquidity requirements to ensure that the company maintains sufficient reserves of cash to meet its liquidity requirements in the financial liabilities. Cash flows are closely monitored on an ongoing basis. The company has no defaults or breaches on its financial liabilities. The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.