

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

GENERAL INFORMATION

Country of incorporation and domicile	United Republic of Tanzania
Directors	Srinivassa Raghavan Venkatavaradhan Basavalingashetty S. Ajaikumar
Registered office	Regency Medical Centre Alykhan Road Upanga Dar es salaam P.O. Box 2029
Bankers	Diamond Trust Bank Main Branch, Dar es salaam
Auditors	Mehta & Associates Certified Public Accountants Member firm of Integra International Mezzanine Floor of Urban Rose Tower Jamhuri Street, Near DTV Round About P.O Box 75303 Dar es Salaam, Tanzania

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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THE REPORT BY THOSE CHARGED WITH GOVERNANCE

The directors have pleasure in submitting their report on the annual report and financial statements of Health Care Global(Tanzania) Private Limited for the year ended 31 March 2022.

1. Incorporation

The company was incorporated on 6 February 2014 and obtained its certificate to commence business on the same day.

The company is domiciled in United Republic of Tanzania where it is incorporated as a private company limited by shares under the Tanzanian Companies Act 2002. The address of the registered office is set out on page 1.

2. Nature of business

Health Care Global(Tanzania) Private Limited was incorporated in United Republic of Tanzania with interests in the medical services industry. The company operates in United Republic of Tanzania.

The principal activity of the company is providing Health consultancy services.

There have been no material changes to the nature of the company's business from the prior year.

3. Capital structure and shareholding

			2022	2021
Authorised			Number of shares	
Ordinary shares			18,000	18,000
Issued			2022	2021
	2022	2021	Number of shares	
M/S HealthCare Global (Africa) PVT Limited	TZS '000	TZS '000		
Shailesh Venkat Guntu	1,799	1,799	17,999	17,999
	1	1	1	1
	<u>1,800</u>	<u>1,800</u>	<u>18,000</u>	<u>18,000</u>

There have been no changes to the authorised or issued share capital during the year under review.

4. Board of directors

The directors in office at the date of this report are as follows:

Directors	Nationality
Srinivassa Raghavan	Indian
Venkatavaradhan	
Basavalingashetty S. Ajaikumar	Indian

There have been changes to the directorate during the current year.

The Company accepted to terminate **Mr Shailesh Venkat Guntu** as a Director of the company and Mr Srinivassa Raghavan Venkatavaradhan was appointed on 14 June 2022 to succeed Mr Shailesh Venkat Guntu . Dr B S Ajaikumar expressed their sincere appreciation to the outgoing director for their contributions during their respective periods of office.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE

5. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

6. Corporate Governance

The board of directors comprises of two individuals who hold executive positions at the company. The board takes overall responsibility for the company, including responsibility of identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management, business plans and budgets. The board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and are in compliance with sound corporate governance principles.

The board delegates the day-to-day management of the business to the Managing Director assisted by other members of senior management. Senior management facilitates the effective control of all company's operational activities, acting as a medium of communication between different business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

7. Employees' welfare

Management and Employees' Relationships

There were continued good relations between employees and management for year ended 31 March 2022. There were no unresolved complaints received by the management from employees during the year.

The company is an equal opportunity employer. It gives equal access to employment and ensures that the best available person is appointed to any given position, free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

Employees benefits plan

The company pays contributions to publicly administered pension plans on mandatory basis which qualifies to be a defined contribution plan. The company's obligations in respect of these contributions are limited to 10% of the employees' monthly gross salaries. The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

8. Review of financial results and activities

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act 2002. The accounting policies have been applied consistently compared to the prior year.

The company recorded a net loss after tax for the year ended 31 March 2022 of TZS 14,025,000. This represented a decrease of 41% from the net loss after tax of the prior year of TZS 23,600,000.

Revenue was not generated in the financial year as there were no operations done.

9. Related parties

Details of transactions and balances with related parties are disclosed in Note 10 to the financial statements.

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THE REPORT BY THOSE CHARGED WITH GOVERNANCE

10. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

The board of directors do not recommend the declaration of a dividend for the year.

11. Going concern

As at 31 March 2022 the company's current liabilities exceeded its current assets by Tshs 61 Million. Moreover, the company has been operating on losses for four consecutive years. The company also has negative equity whereby the liabilities exceed total assets by TZS 61 million. However, the financial statements have been prepared on the assumption that the company will continue trading as a going concern in the foreseeable future. The shareholders have confirmed that they will unconditionally and irreversibly continue to provide financial support to the company for the foreseeable future.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

12. Events after the reporting period


The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

13. Auditors


Mehta & Associates have expressed their willingness to continue in the office and are eligible for reappointment. A resolution proposing the reappointment of Mehta & Associates as auditors of the company will be put to the Annual General Meeting.

The annual report and financial statements set out on pages 11 to 27, which have been prepared on the going concern basis, were approved by the board of directors on 31 July 2022, and were signed on its behalf by:

Approval of annual report and financial statements



Srinivassa Raghavan Venkatavaradhan
Director
31 July 2022



Basavalingashetty S. Ajaikumar
Director
31 July 2022

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Tanzanian Companies Act 2002 to maintain adequate accounting records and are responsible for the content and integrity of the annual report and financial statements and related financial information included in this report. It is their responsibility to ensure that the annual report and financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual report and financial statements .

The annual report and financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual report and financial statements . However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

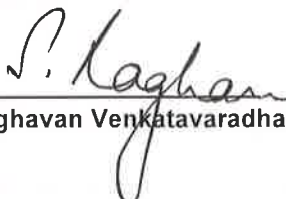
The directors acknowledge that they are responsible for establishing appropriate policies and procedures to prevent non - compliance with laws and regulations (NOCLAR), including whistleblowing procedures as a necessary part of good internal governance.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual report and financial statements . The annual report and financial statements have been examined by the company's external auditors and their report is presented on pages 8 to 10.

The annual report and financial statements set out on pages 11 to 27, which have been prepared on the going concern basis, were approved by the board of directors on 31 July 2022 and were signed on their behalf by:

Approval of financial statements



Srinivassa Raghavan Venkatavaradhan



Basavalingashetty S. Ajaikumar

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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DECLARATION OF THE HEAD OF ACCOUNTS

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned records.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility and Approval statement on an earlier page.

I being the Outsourced Consultant of Health Care Global(Tanzania) Private Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 March 2022, have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements of Health Care Global(Tanzania) Private Limited comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

Signed by

Position: Outsourced Consultant

NBAA Membership No:

Date:

INDEPENDENT AUDITOR'S REPORT

To the members of Health Care Global(Tanzania) Private Limited

Report on the Audit of the Annual Report And Financial Statements

Opinion

We have audited the annual report and financial statements of Health Care Global(Tanzania) Private Limited (the company) set out on pages 11 to 26, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual report and financial statements, including a summary of significant accounting policies.

In our opinion, the annual report and financial statements present fairly, in all material respects, the financial position of Health Care Global(Tanzania) Private Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual report and financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual report and financial statements in United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In common with many business of similar size and organization, the system of internal control is dependent upon the close involvement of the management. Where independent confirmation of the completeness of accounting records was therefore not available, we have accepted assurances from the management that all the transactions have been complied with regulatory bodies, correctly reflected in the accounting records and adequately supported by relevant third-party documents.

Material uncertainty related to going concern

We draw attention to note 13 in the annual report and financial statements, which indicates that the company incurred a net loss of TZS 14,025,000 during the year ended 31 March 2022 and, as of that date, the company's current liabilities exceeded its total assets by TZS 61 million. However, the financial statements have been prepared on the assumption that the company will continue for the foreseeable future. The shareholders have confirmed that they will unconditionally and irrecoverably continue to provide financial support to the company for the foreseeable future. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Health Care Global(Tanzania) Private Limited annual report and financial statements for the year ended 31 March 2022", which includes the Directors' Report, the Statement of Directors' Responsibilities and Approval and the Declaration of the Head of Accounts as required by the Tanzanian Companies Act 2002 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual report and financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Annual Report And Financial Statements

The directors are responsible for the preparation and fair presentation of the annual report and financial statements in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of annual report and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and 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 Annual Report And Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual report and 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 International Standards on Auditing 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 annual report and financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual report and financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report and financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual report and financial statements , including the disclosures, and whether the annual report and financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

As required by the Companies Act 2002 we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- the company's statement of financial position and statement of profit and loss are in agreement with the accounting records of the company.

Mehta & Associates
Certified Public Accountants

Signed by: Kalpesh Mehta
Partner

NBAA Membership No: ACPA 1916

Member firm of Integra International

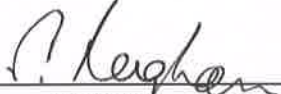
31 July 2022

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note(s)	2022 TZS '000	2021 TZS '000
Assets			
Current Assets			
Trade and other receivables	2	-	1,500
Cash and cash equivalents	3	1,145	13,427
		<u>1,145</u>	<u>14,927</u>
Equity and Liabilities			
Equity			
Share capital	4	1,800	1,800
Retained income		(63,206)	(49,181)
		<u>(61,406)</u>	<u>(47,381)</u>
Liabilities			
Current Liabilities			
Trade and other payables	5	62,551	62,308
Total Equity and Liabilities		<u>1,145</u>	<u>14,927</u>

The annual report and financial statements and the notes on pages 3 to 27, were approved by the board of directors on the 31 July 2022 and were signed on its behalf by:



 Srinivassa Raghavan Venkatavaradhan



 Basavalingashetty S. Ajaikumar

The accounting policies on pages 15 to 21 and the notes on pages 22 to 26 form an integral part of the annual report and financial statements .

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2022 TZS '000	2021 TZS '000
Revenue	7	-	20,285
Other operating income		-	20,880
Other operating expenses		(14,025)	(64,765)
Loss for the year		(14,025)	(23,600)
Other comprehensive income		-	-
Total comprehensive loss for the year		(14,025)	(23,600)

The accounting policies on pages 15 to 21 and the notes on pages 22 to 26 form an integral part of the annual report and financial statements .

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained income	Total equity
	TZS '000	TZS '000	TZS '000
Balance at 1 April 2020	1,800	(25,581)	(23,781)
Loss for the year	-	(23,600)	(23,600)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(23,600)	(23,600)
Balance at 1 April 2021	1,800	(49,181)	(47,381)
Loss for the year	-	(14,025)	(14,025)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(14,025)	(14,025)
Balance at 31 March 2022	1,800	(63,206)	(61,406)

Note(s)

4

The accounting policies on pages 15 to 21 and the notes on pages 22 to 26 form an integral part of the annual report and financial statements .

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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STATEMENT OF CASH FLOWS

	Note(s)	2022 TZS '000	2021 TZS '000
Cash flows from operating activities			
Loss before taxation		(14,025)	(23,600)
Changes in working capital:			
Trade and other receivables		1,500	64,577
Trade and other payables		243	(47,788)
Cash used in operations		(12,282)	(6,811)
Tax paid	9	-	(4,272)
Net cash from operating activities		(12,282)	(11,083)
Total cash movement for the year			
Cash at the beginning of the year		13,427	24,511
Total cash at end of the year	3	1,145	13,428

The accounting policies on pages 15 to 21 and the notes on pages 22 to 26 form an integral part of the annual report and financial statements .

ACCOUNTING POLICIES

Corporate information

Health Care Global(Tanzania) Private Limited is a private limited company incorporated and domiciled in United Republic of Tanzania.

The annual report and financial statements for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 31 July 2022.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual report and financial statements are set out below.

1.1 Basis of preparation

The annual report and financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual report and financial statements and the Tanzanian Companies Act 2002.

The annual report and financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note .

1.2 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 11 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

ACCOUNTING POLICIES

1.2 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 2).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Tanzanian Shilling equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 11).

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 2.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note).

ACCOUNTING POLICIES

1.2 Financial instruments (continued)

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 5), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 11 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Tanzanian Shilling equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 11).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

ACCOUNTING POLICIES

1.2 Financial instruments (continued)

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

ACCOUNTING POLICIES

1.3 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.4 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ACCOUNTING POLICIES

1.5 Share capital and equity (continued)

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to state-managed retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.7 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

ACCOUNTING POLICIES

1.8 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report and financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Tanzanian Shillings by applying to the foreign currency amount the exchange rate between the Tanzanian Shilling and the foreign currency at the date of the cash flow.

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

2. Trade and other receivables

Other receivables	-	1,500
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	-	1,500
At fair value through other comprehensive income	-	-
At fair value through profit or loss	-	-
Non-financial instruments	-	-
	<u>-</u>	<u>1,500</u>

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,145	13,427
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4. Share capital

Issued

18000 Ordinary shares of TZS 100	1,800	1,800
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5. Trade and other payables

Financial instruments:

Other payables - related parties	57,640	57,383
Other payables	4,911	4,925
	<u>62,551</u>	<u>62,308</u>

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

6. Current tax payable (recoverable)

Opening balance		4,272
Taxes paid for previous year	-	(4,272)
Tax charge recognized in profit or loss	-	-
	<u>-</u>	<u>-</u>

7. Revenue

Revenue from contracts with customers

Rendering of services	-	20,285
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HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

	2022 TZS '000	2021 TZS '000
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8. Taxation

Major components of the tax expense

9. Tax paid

Balance at beginning of the year	-	(4,272)
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10. Related parties

Relationships

Ultimate Holding company	Health Care Global (Africa) Private Limited
Sister company	Health Care Global (India) Private Limited
Sister company	Health Care Global (Kenya) Private Limited
Sister company	Health Care Global (Uganda) Private Limited

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Health Care Global (India) Private Limited	(32,994)	(33,046)
Health Care Global (Kenya) Private Limited	(22,331)	(22,018)
Health Care Global (Uganda) Private Limited	(2,315)	(2,319)

11. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Note(s)	Amortised cost	Total	Fair value
Cash and cash equivalents	3	1,145	1,145	1,145

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	2	1,500	1,500	1,500
Cash and cash equivalents	3	13,427	13,427	13,427
		14,927	14,927	14,927

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NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

	2022 TZS '000	2021 TZS '000
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11. Financial instruments and risk management (continued)

Categories of financial liabilities

2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	5	62,551	62,551	62,551

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	5	62,308	62,308	62,308

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NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

2022
TZS '000

2021
TZS '000

11. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	2	-	-	-	1,500	-	1,500
Cash and cash equivalents	3	1,145	-	1,145	13,427	-	13,427
		1,145	-	1,145	14,927	-	14,927

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at reputable banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

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NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

		2022 TZS '000	2021 TZS '000
11. Financial instruments and risk management (continued)			
2022			
	Less than 1 year	Total	Carrying amount
Current liabilities			
Trade and other payables	62,551	62,551	62,551
2021			
	Less than 1 year	Total	Carrying amount
Current liabilities			
Trade and other payables	5 62,308	62,308	62,308

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily is US Dollars.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

12. Contingencies

The directors are not aware of any contingent liability at the reporting date and up to the date of this report.

13. Going concern

As at 31 March 2022 the company's total liabilities exceed its asset by TZS 61 Million, However the financial statements have been prepared on the assumption that the company will continue trading as a going concern in the foreseeable future. The shareholders have confirmed that they will unconditionally and irrecoverably continue to provide support to the company for the foreseeable future.

14. Subsequent events

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

15. Comparative figures

Where necessary the comparative figures have been reclassified to conform with the presentation in the current year.

HEALTH CARE GLOBAL(TANZANIA) PRIVATE LIMITED
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DETAILED INCOME STATEMENT

	2022 TZS '000	2021 TZS '000
Revenue		
Rendering of medical consultancy	-	20,285
Other operating Income		
Gain on loan written back	-	20,880
Other operating expenses		
Bad debts	-	(41,696)
Bank charges	(560)	(433)
Foreign exchange loss	88	(193)
Other expenses	(7,271)	-
Professional fees	(6,282)	(22,443)
	(14,025)	(64,765)
Loss for the year	(14,025)	(23,600)