HRC World Plc

(England & Wales Company No. 10829936)

Report and Consolidated Financial Statements for year ended 31 March 2022

Contents

Directors
Shailen Gajera - Executive Director
Simon Retter - Independent Non-Executive Director
Dr Md Khussairiee Ahmad – Independent Non-Executive Director

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Dear Fellow Shareholders,

I am pleased to present you the Annual Report of HRC World Plc (the "Company") and its subsidiary and associate undertaking (together the "Group") for the year ended 31 March 2022.

The unexpected almost two years of lockdowns during the pandemic has caused severe interruptions to the global supply chain in almost every industry. The effect of these interruptions is now haunting the stability of commodity and raw material prices, which directly affects the food and operating cost of restaurants. The invasion of Russia in Ukraine has only made a bad situation, worse. The combination of the several abovementioned factors has now resulted in soaring global inflation and as a result, the public has generally become spooked and are being careful about spending and eating out. But not all is bad. People everywhere are breaking free from the lockdown norms and slowly coming back to work in office and are generally seen to wanting to socialise more. This benefits the member restaurants managed by the Company.

Sometime in December last year, the Company divested part of its shareholdings in each of the member restaurants, which were associate companies namely Havana Café Sdn Bhd, HMRC Sdn Bhd and HRC East Sdn Bhd. The Company's equity stake in each of these companies was trimmed from between 40% and 45% to 19%. The funds raised from the divestment was for working capital needs of the Company for this year.

Earlier this year, the Company embarked on plans to expand its scope of services to member restaurants in the future by developing AI Systems that can help the restaurants manage their revenue generation activities with extensive use of data analytics. The move to adopt AI-based operational systems is inevitable. Marketing activities, as well as supply-chain processes are mostly moving onto digital platforms. Individual restaurants on their own are mostly unable to embark on designing, developing and deploying such AI systems. However, the Company is in a unique position to bridge this gap and the board hopes these AI initiatives will benefit member restaurants directly and indirectly, increase business for the Company. Meanwhile, the Company continues to provide business services to member restaurants especially in developing tourist-based and event-based revenues.

Financial and Statutory Information

The Group recorded revenue of US$ 140,000 for the year. Operational overheads resulted in the profit before tax of US$ 1,899,000 as compared to US$ 3,779,000 for the year ended 31 March 2021. The profit was mainly due to the recovery of impairment of the investments in the associate companies after reduction of equity, which contributed to the realisation of profit of US$ 1,899,000

Outlook

While businesses are slowly starting to recover post the pandemic period, the world is facing with other economic challenges such as interruptions in supply chain of commodities and raw materials as well as soaring inflation. The Company is assisting its member restaurants to quickly adapt to the changes such that the businesses can progress optimally. The Company is hopeful to record some growth in revenue from various initiatives that is being implemented.

Shailen Gajera
Chairman
29 July 2022

Operating Review

For the year under review, the Company, continues to provide business services to member restaurants especially in developing tourist-based and event-based revenues.

In 2021, the Company through its wholly owned subsidiary, HRC World Sdn Bhd, had acquired a minority equity stake into several companies that operates premium dining restaurant, lounge and cafe namely Havana Café Sdn Bhd, HRC East Sdn Bhd and HMRC Sdn Bhd. Accordingly, these companies became an associate to the Company and their respective outlets, member restaurants of the Company.

As part of further strategic business alignment based on economic outlook, the Company had, in December last year, divested part of its shareholdings in each of the member restaurants, where its equities were trimmed from between 40% and 45% to 19%. The funds raised from the divestment was applied for working capital needs of the Company for this year. With these disposal of shares, our shareholdings in the three member restaurants are no longer deemed as associates.
Subsequently, the Company embarked onto plans to develop AI Systems that can help the member restaurants manage their revenue generation activities with extensive use of data analytics. The Company perceived that the move to adopt AI-based operational systems is inevitable. Marketing activities as well as supply-chain processes are mostly moving onto digital platforms. Individual restaurants on their own are mostly unable to embark on designing, developing and deploying such AI systems. The Company is in a unique position to bridge this gap and it is hoped that these AI initiatives will benefit member restaurants directly and indirectly, increase business for the Company.

Business Review and activities

The Group continues to make progress on its key strategies and have undertaken various initiatives to optimise the operational overheads, introduce strategic branding, improve the food and drink offerings, enhance customer engagement activities and put more effort on employee development. It also continues to provide business services to member restaurants especially in developing tourist-based and event-based revenues for them. Additionally, the Company is now developing AI Systems that can help member restaurants manage their revenue generation activities with extensive use of data analytics.

Strategy

The Company had aligned its current business strategy to meet the expected challenges and opportunities for the next three years. Last two years had been very much like going blind into uncharted territories with the Covid-19 pandemic, unexpected lockdowns and uncertainty of business outlook.

Meanwhile, the Company is not seeking to aggressively expand its business by recruiting more member restaurants but will take a more careful approach towards expanding the services to existing member restaurants. This will provide a real-life working platform to test the new AI-based services that the Company plan to develop and offer.

Considering the changing landscape of the economy and still with additional uncertainty moving forward, the Company has decided to temporarily reduce its focus in developing its music related aspirations until such time it deems suitable to invest more time and resources.

The Company will continue to develop and offer its restaurant management services to existing member restaurants where the Company offer (1) restaurant marketing and promotion support services, (2) tourist-based customer acquisition services, and (3) music & event-based revenue development.

The Company hopes to improve its service offering using AI-based Systems that can help member restaurants manage their revenue generation activities with extensive use of data analytics.

Financial Review

The Group generated US$ 1,965,483 from the equity trimming exercise which saw its shareholding in the three associate companies being reduced to a % which no longer qualifies the investments to be deemed as associates.

The Group recorded revenue of US$ 140,000 for the year. Operational overheads resulted in the profit before tax of US$ 1,899,000 as compared to loss of US$ 3,778,000 for the year ended 31 March 2021. The profit was mainly due to the recovery of impairment of the investments in the associate companies after reduction of equity, which contributed to the realisation of profit of US$ 1,899,000.

Principal risks and uncertainties

The Group does not at present enter into any forward exchange rate contracts or any other hedging arrangements. The main financial risks arising from the Group's activities are liquidity risk, price risk (fair value), foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised as:

Liquidity risk – the Company raises funds as required on the basis of budgeted expenditure and inflows. When funds are sought, the Company balances the costs and benefits of equity and debt financing. Once funds are received, they are deposited with banks of high standing in order to obtain market interest rates.

Business expansion risk - the Company is trying to acquire business by providing restaurant management services to existing restaurant owners/operators. There is no guarantee that the Company will succeed in this endeavour.

Human capital risk - The Group's success depends on its key personnel and on the ability of the senior management team to work together and successfully implement the Company's growth strategy.

Covid-19 – The adverse impact of the Covid-19 virus on the economy and the restaurants and dining industry. The Group has taken and will continue to take a number of measures to monitor and prevent the effects of the COVID-19 virus to its operations, this includes safety and health measures for our people.

Going concern

As described in note 2, the Directors, having made appropriate enquiries, consider that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Section 172 Report

As required by Section 172 of the Companies Act, a director of a company must act in the way he or she considers, in good faith, would likely promote the success of the company for the benefit of the shareholders. In doing so, the director must have regard, amongst other matters, to the following issues:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers/customers and others;
- impact of the company's operations on the community and environment;
- company's reputation for high standards of business conduct; and
- need to act fairly between members of the company.

As set out in the Strategic Report, the Board remains focused on providing for shareholders through the long-term success of the Company. The means by which this is achieved is set out further below.

Likely consequences of any decisions in the long term

The Strategic Report set out the Group's strategy. In applying this strategy, particularly in seeking new business prospect the Board assesses the long-term future of those business with a view to shareholder return. The approach to general strategy and risk management strategy of the Group is set out in 'Principal risk and uncertainties' of the Strategic Report.

The Board regularly reviews its long-term strategy. This has encompassed not only the current phase of strategic development, but also future areas of growth. Input is regularly taken from specialists within the business and external advisers about what issues might frame the commercial environment in which the business will operate in future and the Board regularly considers how it can best respond to that framework. The resulting assessment of future development helps inform the Board's decision-making and the balance between short-term and long-term measures and actions.

Interest of Employees

The Company has a very limited number of employees and all have direct access to the Directors on a daily basis resulting an open and honest approach with regular updates across businesses and operations within the Group. Employees' salaries and benefits are remunerated to be at par with related industry standard. The Board periodically reviewed initiatives that are being implemented to enhance the career and personal development of employees. Performance management and reward processes are clearly defined to ensure everyone understands how what they do links to reward and recognition.

Need to foster the company's business relationships with suppliers/customers and others

The Board reviewed information on the Group's performance against key quality targets each month and was updated at Board meetings on actions undertaken to rectify any significant quality issues.

Impact of the company's operations on the community and environment

The Group takes its responsibility within the community and wider environment seriously. As the Group own companies operation has very minimal community and environmental impact, it is committed to conducting business in an efficient and responsible manner, in line with current best practice guidelines in management of food & beverages sectors through its business associates. Those operations integrate environmental, social and health and safety considerations to maintain its "social licence to operate" in all its business activities.

The desirability of the company maintaining a reputation for high standards of business conduct

The Directors are committed to high standards of business conduct and governance as set out in Corporate Governance Statement. Where there is a need to seek advice on particular issues, the Board will consult with its lawyers and nominated advisors to ensure that its reputation for good business conduct is maintained.

The need to act fairly between members of the Group

The primary focus of the Board's business decisions is on ensuring the long-term sustainability of the Group. The Board recognises that in seeking to maintain long-term profitability the Group is reliant on the support of all of its stakeholders, including the Group's workforce, its customers, suppliers and the communities in which its businesses operate.

The Group has a system of financial controls and reporting procedures in place which are considered to be appropriate given the size and structure of the Group and the nature of risks associated with the Group's assets. Key procedures include:

- due diligence on new acquisitions;
- Board-level liaison with management of investees including, where appropriate, board representation;
- monthly management account reporting;
- review of investments and market risk with monthly reporting to the Board;
- regular cashflow re-forecasting as circumstances change; and
- involvement of the Executive Directors in the day-to-day operations of the Group of companies.

Response to Covid-19

With uncertainty created by the COVID-19 pandemic the Board oversaw the Group's response with the aim of ensuring to emerge from the crisis well positioned for long-term success, whilst supporting our employees and their safety and continuing to deliver for customers.

The adverse impact of the Covid-19 virus on the economy and the restaurants and dining industry. The Group's key priority has been the health and wellbeing of employees and other stakeholders. A wide range of additional health, safety and hygiene protocols have been adopted in our business premises, office and across our supply chain. These were initiated in early March and are monitored on an ongoing basis in line with Government and WHO guidelines.

Covid-19 has created immense challenges to the business sector but the Board believes the Group has significantly mitigated the devastating effect and that it has sufficient financial liquidity to see the Company through to well into succeeding years. The Board has also closely monitored the financial impact of the pandemic on the Group's cash flow, liquidity, banking covenants and ongoing sources of long-term finance to ensure the Group's long-term viability. Number of scenarios on the potential impact of Covid-19 on the Group's results had been considered. Management has always adopted a prudent approach to its cost base and capital expenditure and, with the benefit of its cash generative business model, has maintained a strong financial position.

Currently the Government restriction on business operations and social activities affected are being gradually eased with the rampant vaccination drive undertaken by the Government. It is expected that once the vaccination process is completed the restriction will be removed. It is anticipated that it may take considerable time before trade is back to the pre-Covid-19 levels. The Group will continue to keep all measures under review, prioritising the safety of all of employees and stakeholders.

Shailen Gajera
Director
29 July 2022

Although the UK Corporate Governance Code is not compulsory for companies whose shares are admitted to trading on Nasdaq First North, the Board recognises the importance of sound corporate governance and has developed governance policies appropriate for the group, with reference to the main provision of the Corporate Governance Code for small and mid-size quoted companies published by the Quoted Companies Alliance ("QCA") Guidelines.

(1) The Board, which comprises an Executive Chairman and two Non-Executive Directors, will meet regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls;

(2) The Executive directors will meet on a regular basis for operational meetings;

(3) To enable the board to discharges its duties, all directors will receive appropriate and timely information;

(4) All directors have access to the advice and services of Company Secretary, who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with;

(5) The appointment and removal of the Company Secretary is a matter of the Board as a whole; and

(6) In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Directors are subject to retirement by rotation and re-election by the Shareholders at annual general meetings of the Company, as required by the Company's articles and any Director appointed by the Board shall hold office only until the next annual general meeting and shall then be eligible for election.

Two committees of the Board have been set up. Each of which will be chaired by Shailen Gajera and will comprise of the independent Non-Executive Directors, Simon Retter and Dr Md Khussairiee Ahmad.

Five Board meetings took place during the reporting period.

Audit and Risk committee

This committee will have primarily responsibility for monitoring the quality of internal control, ensuring that the financial performance of the company is properly measured and reported on, and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of shareholders. This Committee will also consider all matters referred to the Committee by executives responsible for health, safety and risk management. The Audit Committee will meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. However, only two audit committee meetings took place during the reporting period.

Remuneration Committee

This committee will set the remuneration policy for all Executive Directors and review the performance of the Executive Directors and determine their term and condition of service, including their remuneration and pension rights and grants of options, having due regard to the interest of shareholders. The Remuneration Committee will meet at least twice a year and at such other times as may be required. No Remuneration Committee meeting took place during the reporting period

The Company is dedicated to good corporate governance and recognizes the importance of social responsibility. As set out in the Company Description dated 1 February 2018, a Director shall not be required to hold any shares in the Company.

Directors' remuneration

Directors' remuneration for services as directors of the Company in the period was as follows:

Director	**2022 fees $'000**	**2021 fees $'000**
Shailen Gajera	22	22
Simon Retter	23	23
Dr Md Khussairiee Ahmad	22	22
Total	**67**	**67**

Shailen Gajera has been appointed by the Company to act as an Executive Director under a service agreement dated 1 February 2018. His appointment commenced on 24 November 2017 and is terminable on six months' written notice on either side. He is entitled to a fee of US$22,000 per annum.

Simon Retter has been appointed by the Company to act as the Non-Executive Director under a service agreement dated 1 February 2018. His appointment commenced on 21 June 2017 and is terminable on six months' written notice on either side. He is entitled to a fee of US$23,000 per annum.

Dr Md Khussairiee Ahmad has been appointed by the Company to act as a Non-Executive Director under a service agreement dated 7 August 2020. His appointment commenced on 7 November 2020 and is terminable on six months' written notice on either side. He is entitled to a fee of US$22,000 per annum.

None of the Directors have any potential conflicts of interest between their duties to the Company and their private interests or other duties they may also have.

Currently, the Company does not have any emoluments such as wages, pension, share based payment or long-term incentive schemes in place for any of the Directors, and as such, there are no disclosures in this respect.

The Directors present their report and the audited consolidated financial statements of HRC World Plc (the "Company") and its subsidiary and associate undertaking (together the "Group") for the year ended 31 March 2022.

Principal activities

The principal activities of the Group are that in the provision of restaurant management services as well in as development of music videos and content business. Apart from no longer directly owning any restaurants, there were no significant changes in the nature of the Company's principal activities during the year.

Result and appropriations

The Group recorded profit of USD$ 1,899,000 for the year ended 31 March 2022. The Directors do not currently recommend the payment of a dividend.

Business review and future developments

A summary of the Group's main business developments for the year ended 31 March 2022 and potential future developments is contained within the Chairman's Statement and Strategic Report.

Financial risk management

The Group's objectives and policies in this regard are discussed in the Strategic Report.

Share Capital

There are no significant movements in the Company's share capital during the year. The Company's issued share capital comprises a single class of ordinary shares of 1p each. All issued shares are fully paid, can be held in certificated or uncertificated form and are quoted on the Nasdaq First North Copenhagen.

Dividend Policy

The company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws

Substantial shareholders

As at 28 July 2022, the Group had been notified of the following interests of 3% or more in the Company's ordinary share capital:

Registered holder	Number of shares	Percentage
VCB A.G. (Custody Services)	73,542,200	49.03%
Euroclear Nominees Limited	50,621,824	33.75%
JP Morgen Chase Bank, N.A.	14,700,000	9.80%

Reserves

Details of movements in the Group's reserves during the year are set out in the consolidated statement of changes in equity on page 22.

Directors

The directors of the Company during the year were:
Shailen Gajera
Simon Retter
Dr Md Khussairiee Ahmad

There being no provision in the Company's articles of association for retirement, all the directors shall continue to hold office in the ensuing year.

Arrangements to purchase shares or debentures

At no time during the year was the Company, its subsidiaries or parent companies, a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in contracts

No contracts of significance to which the Company, its subsidiaries or parent companies was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contract

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Post Balance Sheet Events

There are no material post balance sheet events to disclose.

Employee and Greenhouse Gas (GHG) Emissions

The Company is trading with less than 20 employees including directors and therefore has minimal carbon emissions. As the Group's Annual energy consumption is below 40,000 kwh no energy and carbon report are presented

The Company promotes a policy for the creation of equal and ethnically diverse employment opportunities including with respect to gender. The Company promotes and encourages employee involvement wherever practical as it recognises employees as a valuable asset and is one of the key contributors to the Company's success.

Disclosure of information to the auditor

In the case of each person who was a Director at the time this report was approved:

- so far as the Director was aware there was no relevant audit information of which the Company's auditor was unaware; and
- the Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor was aware of that information.

Auditors

A resolution to reappoint the auditor, Shipleys LLP, will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Shailen Gajera
Director
On behalf of the Board
29 July 2022

The Directors are responsible for preparing the Strategic Report, Directors' Report, any other surround information and the group and parent company financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under that law, they are required to prepare the group financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 (IFRSs) and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that year. In preparing each of the group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Strategic Report and Directors' Report which comply with the requirement of the Companies Act 2006; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the parent 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 group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for ensuring that the Strategic Report, Directors' report and other information included the Annual Report and financial statements is prepared in accordance with applicable law in the United Kingdom. The maintenance and integrity of the Company's website is the responsibility of the Directors.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and other information included in the annual report may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HRC WORLD PLC

Opinion

We have audited the financial statements of HRC World Plc (the "Company") and its subsidiary undertakings (together referred to as the "Group") for the year ended 31 March 2022, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 March 2022;
- the consolidated and the Company statement of financial position as at 31 March 2022;
- the consolidated statement of cash flows for the year ended 31 March 2022;
- the consolidated and the Company statement of changes in equity for the year ended 31 March 2022; and
- notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended; and
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our audit opinion is consistent with our reporting to the audit committee.

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.

Independence

We remained independent of the Group 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, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is no modified, we have considered the adequacy of the disclosure mas in note 2 to the financial statements concerning the Company and Group's ability to continue as a going concern. The conditions described in note 2 in respect of COVID-19 indicate the existence of material uncertainties which may cast doubt abut the Company and Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company and Group was unable to continue as a going concern.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be $75,723, based on an average of approximately 4% of the Group's net assets at the year end.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be $56,792.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of $3,786. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Company is accounted for from one central operating location based in Kuala Lumpur, Malaysia where all the Group's records were maintained.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at the significant component by us, as the primary audit engagement team. For the full scope component in Malaysia, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

We engaged with the component auditors at all stages during the audit process and directed the audit work on the non-UK subsidiary undertakings. We directed the component auditor regarding the audit approach at the planning stage, issued instructions that detailed the significant risks to be addressed through the audit procedures and indicated the information we required to be reported on. At the planning s

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance on our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

Going concern was identified as a key audit matter and has been addressed within the "Material uncertainty relating to going concern" section of the audit report. We have determined that there are no other key audit matters to communicate in our report.

Our audit procedures in relation to the matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on the matter individually and we express no such opinion.

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.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- *Fair, balanced and understandable* – the statement given by the directors that the y consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the groups' position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- *Audit committee reporting* - the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee;

We have nothing to report in respect of these matters.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited 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.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 13, 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 and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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:

- We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK and Malaysia jurisdictions in which the Group operates.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, and reviewing accounting estimates for biases.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances on non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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.

Appointment

We were appointed by the board on 21 February 2022 to audit the financial statements for the year ended 31 March 2022. Our total uninterrupted period of engagement is 1 year, covering the year ended March 2022.

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.

Benjamin Bidnell

BENJAMIN BIDNELL

For and on behalf of

SHIPLEYS LLP

Chartered Accountants and Statutory Auditor

10 Orange Street, Haymarket, London, WC2H 7DQ

29/7/2022

Consolidated Statement of Comprehensive Income
For year ended 31 March 2022

	Notes	Year ended 31-Mar-22 US$'000	Year ended 31-Mar-21 US$'000
Turnover	6	140	94
Cost of sales		-	-
Gross profit		140	94
Other income		160	9
General and administrative expenses		(366)	(465)
Loss from operation		(66)	**(362)**
Share of losses from equity accounted associates		-	(650)
Gain on disposal of investment in associates		1,965	-
Provision for impairment of investments in associates		-	(2,767)
Profit / (Loss) before tax	7	1,899	**(3,779)**
Income tax expense	9	-	-
Profit / (Loss) from continuing operation		**1,899**	**(3,779)**
Other comprehensive income:			
Items that will or may be classified to profit and loss			
Exchange gains on translation of foreign operation		-	1
Total comprehensive profit / (loss) attributable to the owners of the company		**1,899**	**(3,778)**
Earnings per share from continuing operation attributable to the owners of the company			
Profit / (Loss) per share (basic and diluted) cent/share	18	1.37	(2.72)

The notes to the consolidated financial statements form an integral part of these financial statements.

HRC World Plc
(England & Wales Company No. 10829936)
Consolidated Statement of Financial Position
For year ended 31 March 2022

	Note	As at 31-Mar-22 US$'000	As at 31-Mar-21 US$'000
Non-current assets			
Right-of-use asset	10	48	-
Current assets			
Trade and other receivables	12	126	61
Cash and cash equivalents	13	1,994	36
		2,120	**97**
TOTAL ASSETS		**2,168**	**97**
EQUITY AND LIABILITIES			
Current Liabilities			
Trade and other payables	14	139	358
Amount due to a shareholder	20	30	30
Lease liability – within twelve months	19	11	-
Amount due to director	20	57	193
		237	**581**
Non-current Liabilities			
Lease liability – more than 12 months	19	**39**	**-**
		39	**-**
TOTAL LIABILITIES		**276**	**581**
Capital and reserve			
Share capital	15	1,849	1,849
Share premium	15	1,808	1,808
Other equity	17	(14,523)	(15,000)
Merger reserve	16	12,799	12,799
Translation reserve		1	1
Accumulated (loss)		(42)	(1,941)
Total Equity		**1,892**	**(484)**
TOTAL EQUITY AND LIABILITIES		**2,168**	**97**

The notes to the consolidated financial statements form an integral part of these financial statements.
This report was approved and authorised for issue by the Board of Directors and signed on behalf by:

Shailen Gajera
Director
On behalf of the Board
29 July 2022

Consolidated Statement of Changes in Equity
For year ended 31 March 2022

	Share capital US$'000	Share premium US$'000	Merger reserve US$'000	Translation reserve US$'000	Treasury shares US$'000	Retained earnings US$'000	Total US$'000
As at 31 March 2020	**1,849**	**1,808**	**12,799**	**-**	**(15,000)**	**1,838**	**3,294**
Loss for the year	-	-	-	-	-	(3,779)	(3,779)
Exchange differences on translation of foreign operations	-	-	-	1	-	-	1
Total comprehensive loss for the year	**-**	**-**	**-**	**1**	**-**	**(3,779)**	**(3,778)**
As at 31 March 2021	**1,849**	**1,808**	**12,799**	**1**	**(15,000)**	**(1,941)**	**(484)**
Profit for the year	-	-	-	-	-	1,899	1,899
Disposal of treasury shares	-	-	-	-	477	-	477
Total comprehensive profit for the year	**-**	**-**	**-**	**-**	**477**	**1,899**	**2,376**
As at 31 March 2022	1,849	1,808	12,799	1	(14,523)	(42)	1,892

The notes to the consolidated financial statements form an integral part of these financial statements.

HRC World Plc

(England & Wales Company No. 10829936)

Consolidated Statement of Cash Flows
For Year Ended 31 March 2022

Cash flow from operating activities	**Year ended 31-Mar-22 US$'000**	**Year ended 31-Mar-21 US$'000**
Profit / (Loss) before tax from continued operations	1,899	(3,779)
Adjustments for:		
Gain on disposal of investment is associates	(1,965)	-
Gain on disposal of treasury shares	(151)	-
Interest on lease liability	4	-
Provision for depreciation of right-of-use	12	-
Share of losses from associates	-	650
Impairment loss of net investment in associate	-	2,767
Operating cash flows before movements in working capital	(201)	(362)
(Increase) in trade and other receivables	(65)	(6)
(increase) in amount due from related companies	-	(25)
(Decrease) / Increase in trade and other payables	(219)	44
(Decrease) / Increase in amount due to a director	(136)	109
Cash used in operations	**(420)**	**122**
Net cash used in operating activities	**(621)**	**(240)**
Cash flows from investing activities		
Investment in associated companies	-	(1,417)
Net cash (used in)/generated from investing activities	**-**	**(1,417)**
Cash flows from financing activities		
Proceeds from disposal of investment in associates	1,965	-
Proceed from disposal of treasury shares	628	-
Repayment of lease liability	(14)	-
Net cash generated from n financing activities	**2,579**	**-**
Net (increase)/decrease in cash & cash equivalents	1,958	(1,657)
Effect of exchange differences	-	1
Cash and equivalents at beginning of year	36	1,692
Cash and equivalents at end of year	**1,994**	**36**

1. Corporate Information

The Company is a public limited company with registered number 10829936. It was incorporated as a public limited company in England and Wales. The Company's nature of operations is to act as the holding company with a subsidiary company providing restaurant management services to three companies who are engaged in high quality food and beverage business.

During the financial year the company disposed of 26% of its ownership in HMRC Sdn Bhd and HRC East Sdn Bhd and 21% ownership in Havana Café Sdn Bhd for a total consideration of RM 8,191,775 (in Malaysian Ringgit) equivalent to about US$ 1,965,483.

2. Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company and the Group, and rounded to the nearest thousands (US$'000) unless it is stated otherwise.

Going Concern

The financial statements are required to be prepared on the going concern basis. The key conclusions are summarised below:

The Group made a profit for the year of US$1,899,000 (2021: loss of US$3,779,000). The Group recorded net cash used in operating activities of US$621,000 (2021: US$240,000). At the reporting date the group held cash and cash equivalents of US$1,994,000 (2021: US$36,000) and had net current liabilities of US$276,000 (2021: US$484,000).

The directors have prepared financial projections and plans for a period of at least 12 months from the date of approval of these financial statements. In view of the prolonged Covid-19 global pandemic, the Board has revised its projection, adopting conservative approach in its review to operate as a going concern. The Board has developed cash flow projection sensitivities for the assessment period which will cover the period of business interruption created by COVID-19. This extended forecast is based on current known revenue, as adjusted for the impact of COVID-19 and all forecast expenditure falling due within this period on a month-to-month basis. The Board can take mitigating actions as necessary to manage the cost base of the business, including the deferral of payments to the directors, and management of cash flow requirements in the event of any shortfall in funding.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Application of new and revised International Financial Reporting Standards ("IFRSs")

The following new standards, and amendments to standards, have been adopted by the group for the first time during the year commencing 1 April 2021

- Amendments to IAS 16 property, plant and equipment

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group and/or company

At the date of authorisation of these financial statements, the Directors have reviewed the standards in issue by the International Accounting Standards Board ("IASB") and IFRIC, which are effective for annual accounting periods ending on or after the stated effective date. In their view, none of these standards would have a material impact on the consolidated financial statements.

3. Significant estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a) Associates

Where the Group holds more than 20% but less than 50% of voting rights in an investment but the Group has the power to exercise significant influence, such an investment is treated as an associate. During the current financial year, the investments in the Associate companies have been impaired due to the continued on and off lock downs experienced in the country for the past two years and with no clear indication of recovery resulting in an adverse forecast of non-operation and the expected slow return to normalcy in a post Covid period. However, there seem to be some indications of the easing of the restrictions on completion of the vaccinations process which has gained considerable momentum.

b) Going concern

As disclosed in note 2 the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Group and the Company continue to adopt the going concern basis in preparing the financial statements.

4. The principal accounting policies adopted are set out below.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profits or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-company transaction, balances, income and expenses are eliminated in full on consolidation.

b) Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

c) Foreign currency transactions

Transactions in currencies other than the functional currency of the Group are recorded in functional currency at the rates of exchanges prevailing on the dates of the transactions. At each end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

On consolidation, exchange differences arising from the translation of the Group's net investment in foreign operations and of borrowings and other instruments denominated in foreign currencies are taken to other comprehensive income.

d) Impairment of assets

An assessment is made at each of the end reporting period to determine whether there is any indication of impairment of all assets or reversal of previous impairment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior periods.

e) 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 year. Taxable profit differs from profit as reported in the consolidated statement of profits or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Financial assets*

Loans and receivable
Financial assets include loans and receivables. Loans and receivables are held with an objective to collect contractual cash flows which are solely payments of principals and interest and therefore classified as subsequently measured at amortised cost. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loan and receivables comprise other receivables, cash and cash equivalents, amounts due from a related company and amounts due from a shareholder in the statement of financial position.

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost, less any impairment losses.

(ii) *Impairment of financial assets*

The Group recognises a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment under IFRS 9 including trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions. The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(iii) *Financial liabilities and equity instruments*

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
Financial liabilities are classified as financial liabilities measured at amortised costs.

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

h) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including member of the Board of Directors.

The Board considers that the Group's activity constitutes one operating and one reporting segment, as defined under IFRS 8. Management reviews the performance of the Company by reference to total results against budget.

The total profit measures are operating profit and profit for the period, both disclosed on the face of the income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group's financial information.

i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Restaurant management fees comprise of (1) restaurant marketing and promotion support services, (2) tourist-based customer acquisition services, and (3) music & event-based revenue development. The revenue is recognised over time when the service is performed.

j) Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contact. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease's assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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 incremental borrowing rate is calculated on a lease-by-lease basis.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is measured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero .

5. Segmental information

As required by IFRS 8 Operating segments, the segmental information presented in the financial statements is reported in a manner consistent with the internal reporting provided to the management of the Company who are responsible for allocating resources and assessing performance and who reports to the Executive member of the Board of Directors.

The management of the company have determined that the Group have a single operating segment, the development and offering restaurant management services within hospitality sector, although it is likely that in future periods the Group’s segmental reporting will be expanded as new business opportunities are developed and commercialised.

All the non-current assets of the Group are located in the Malaysia.

6. Revenue

	Year ended 31-Mar-22 US$’000	**Year ended 31-Mar-21 US$’000**
Restaurant Management Fee	140	94
	140	94

Previously restaurant management fee was provided and charged by the subsidiary company for the period from 1st April 2021 to 30th September 2021. Subsequently commencing 1st October, 2021, the restaurant management fee was transferred to HRC World Plc who carried out the services and invoiced the clients directly.

Revenue is recognised when the performance obligation in the contact has been performed. Revenue represents restaurant management services rendered to the customers.

Invoices are generally raised monthly in advance.

7. Profit / loss before tax

The Group's profit / loss before tax is arrived at after charging / (crediting):

	Year ended 31-Mar-22 US$'000	Year ended 31-Mar-21 US$'000
Auditor's remuneration		
Fees payable to company's auditor in respect to the Audit of the Company and consolidated:		
Financial statements	25	33
Rental of office	-	47
Bad debts written	-	2
Salaries, EPF and SOSCO	105	128
	130	210

8. Key personnel expenses

Directors and senior management are regarded as the key management personnel of the Group and their emoluments are disclosed below:

	Year ended 31-Mar-22 US$'000	Year ended 31-Mar-21 US$'000
Directors Fee	67	129

The average number of employees at each reporting period as follows:

	Year ended 31-Mar-22	Year ended 31-Mar-21
Directors	3	4
Administrative	-	5
	3	9

9. Income tax expense

No liability to the corporation tax arose for the year ended 31 March 2022 and year ended 31 March 2021, as the Group did not generate any assessable profits during the reporting period.

The Group's principal activity is based in United Kingdom. The corporation tax rate in UK is 19% (2021: 19%).

	Year ended 31-Mar-22 US$'000	Year ended 31-Mar-21 US$'000
Profit / (Loss) before tax	1,899	(3,779)
Tax at the effective tax rate - see below	(361)	(718)
Unrecognised deferred tax	361	718
	-	-

The Group has incurred indefinitely available tax losses of approximately US$1.8 million (2021: US$1.8 million) to carry forward against future taxable income of the company in which the losses arose and they cannot be used to offset taxable profits elsewhere in the Group.

No deferred tax asset has been recognised in respect of such losses and temporary differences due to the unpredictability of future profit streams. Such losses may be carried forward indefinitely.

10. Right-of-Use Asset

Cost	
As at 1 April 2021	-
Additions during the year	60
As at 31.03.2022	60
Accumulated depreciation	
As at 1 April 2021	-
Charge for the year	12
As at 31.03.2022	12
Net Book Value	
As at 31 March 2022	48
As at 31 March 2021	-

The Right-Of-Use Asset represents tenancy agreement entered into by the subsidiary company for the lease of office premises for a period of five (5) years commencing from 1st April, 2022.

11. Related company undertakings

The details of the companies in the Group are as follows:

Name of company	Country of incorporation	Effective holding 2022	Effective holding 2021	Principal activities
Subsidiary				
HRC World Sdn Bhd	Malaysia	100%	100%	Management and administration of Group operation
HRC Music Limited (formerly HRC Asia Limited)*	British Virgin Island	100%	100%	Investment holding

* Note : To-date the Company has not used HRC Music Limited (HRCM) as the intended business unit to drive the planned music and video initiatives and has plans to discontinue using it. Instead, the Company will use HRC World Sdn Bhd for all business operations activities. HRCM is currently dormant.

Below is the registered address of the subsidiary undertakings.

HRC World Sdn Bhd	28, 3rd Floor, Lorong Medan Tuanku Satu, 50300 Kuala Lumpur Malaysia
HRC Music Limited	Coastal Building, Wickham Cay II, P.O.Box 2221, Road Town Tortola, British Virgin Island

12. Trade and other receivables

	As at 31-Mar-22 US$'000	As at 31-Mar-21 US$'000
Deposit and prepayment	7	61
Other receivables	119	-
	126	61

13. Cash and Cash Equivalents

	As at 31-Mar-22 US$'000	As at 31-Mar-21 US$'000
Cash at bank	1,994	36
	1,994	36

14. Trade and other payable

	As at 31-Mar-22 US$'000	As at 31-Mar-21 US$'000
Accruals	26	59
Other payables	113	299
	139	358

15. Share capital and share premium

Issued and fully paid	Number of ordinary shares	Share Capital US$'000	Share Premium US$'000
At 31 March 2022 and 2021	150,000,000	1,849	1,808

No new share was issued during the year ended 31 March 2022.

16. Reserves

Share premium
Share premium is the aggregate of amounts received for the issue of share capital less the nominal value of the shares issued and less any costs permitted to be deducted under applicable law.

Merger reserve
Merger reserve arose on the acquisition of HRC Asia Ltd by the Company. The application of merger accounting principles has resulted in a balance in the consolidated capital and reserves that has been classified as a merger reserve and included in the consolidated shareholders fund's

Translation reserve
The translation reserve represents cumulative foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

Accumulated losses
Accumulated losses represent the cumulative balance of losses recognised.

17. Other Equity / Treasury Shares

The amount arose from settlement of amount owing by Ada Ventures Malaysia in respect of disposal of subsidiary group by way of transferring 11,154,904 ordinary shares of the Company held by Ada Ventures Malaysia beneficial owner at €1.19 each amounting to €13,274,336 which equivalent to US$15,000,000.

In July 2021, the Company disposed of 354,904 shares at EUR 1.50 each to raise EUR 532,356 (US$628,180) and the proceeds applied for working capital.

18. Profit / (Loss) per share

Basic profit / (loss) per ordinary share is calculated by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are currently no dilutive potential ordinary shares.

Profit / (Loss) per share attributed to ordinary shareholders

	Year ended 31-Mar-22 US$'000	**Year ended 31-Mar-21 US$'000**
Profit / (Loss) for the year attributable to owners	1,899	(3,779)
Weighted average number of shares (Unit)	139,107,628	138,845,096
Profit / (Loss) per share amount (cent)	1.37	(2.72)

On 05.07.2021 the company disposed of 354,904 number of ordinary shares held as Treasury Shares for the purpose of raising funds resulting in the number of shares held as Treasury shares being reduced to 10,800,000 These remaining shares will not be included in shares in issue in future periods whilst they are held as Treasury Shares.

19. Lease Liabilities

Cost	
As at 1 April 2021	-
Additions	60
	60
Repayment of principal	10
At 31 March 2022	**50**
Accumulated depreciation	
Lease liabilities are payable as follows	
Current liability	10
Non-current liability	40

20. Related party transaction

Key management personnel compensation has been disclosed in Note 8. Transactions between the Company and its subsidiaries and between subsidiaries have been eliminated on consolidation.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions during the reporting period under review and at terms and rates agreed between the parties:

	As at 31-Mar-22 US$'000	As at 31-Mar-21 US$'000
Transactions with associated companies		
Management services charge from		
HMRC Sdn Bhd	-	22
HRC East Sdn Bhd	-	43
Havana Café Sdn Bhd	-	29
Amounts due to shareholders		
VCB A.G.	(30)	(30)
Amount due to director		
Shailen Gajera	(57)	(193)

Transactions with associated companies represents restaurant management services provided to the associate companies. There are no management services charge received current year as the companies no longer fall under the classification as associate

Amounts due to and from shareholders and related parties represent advances in connection with, and amounts payable arising from, funding arrangements preparatory to the Company's listing transaction. The directors consider the fair value of the amounts to materially approximate to their carrying amounts.

In July 2021, the Company disposed of 355,000 treasury shares at EUR 1.50 each to raise EUR 532,000 (US$636,000) and the proceeds applied for working capital. The shares were purchased by VCB A.G.

21. Net cash reconciliation

The below table sets out an analysis of net cash and the movement in net cash for the years presented:

	As at 31-Mar-22 US$'000	As at 31-Mar-21 US$'000
Cash and cash equivalents	1,994	36

	Cash and cash equivalents US$'000
Net cash as at 31 March 2020	1,692
Cash flow	1,656
Net cash as at 31 March 2021	36
Cash flow	1,958
Net cash as at 31 March 2022	1,994

22. Capital Management

Capital comprises share capital and reserves. The Group's objective when managing capital is to provide sufficient resources to allow the continued investment in new restaurants and products that is required in the rapidly changing market in which the Group operates and to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders.

23. Financial Instruments

The Group’s principal financial instruments comprise cash and cash equivalents, trade and other receivable, amount due from a related company, trade and other payable and amount due to a shareholder. The Group’s accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in Note 4. The Group does not use financial instruments for speculative purposes.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	As at 31-Mar-22 US$’000	As at 31-Mar-21 US$’000
Financial assets at amortised costs		
Loan and receivables		
	-	-
Cash and cash equivalents	1,994	36
Total financial assets	1,994	36
Financial liabilities measure at amortised costs		
Trade and other payables	139	358
Amount due to a shareholder	30	30
Amount due to director	57	193
Total financial liabilities	226	581

Financial risk management

Exposure to foreign currency, credit, liquidity and cash flow interest rate risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

Foreign currency risk

The Group has some exposure to foreign currency risk. The Group purchases and sells in various foreign currencies, mainly Ringgit Malaysia (MYR) that exposes it to foreign currency risk arising from such purchases and sales and the resulting receivables and the payables. However, the Group continuously monitors its foreign currency position.

The carrying amounts of the Group's financial instruments are denominated in the following currencies at each reporting year:

	DKK US$'000	MYR US$'000	EUR US$'000	GBP US$'000	USD US$'000	Total US$'000
At 31 March 2021						
Financial assets						
Cash and cash equivalents	14	11	-	11	-	36
	14	11	-	11	-	36
Financial liabilities						
Trade and other payables	-	358	-	-	-	358
Amount due to a shareholder	-	-	-	-	30	30
Amount due to director	-	-	-	-	193	193
	-	358	-	-	223	581
Net financial asset/(liabilities)	14	(347)	-	11	(223)	(545)

	DKK US$'000	MYR US$'000	EUR US$'000	GBP US$'000	USD US$'000	Total US$'000
At 31 March 2022						
Cash and cash equivalents	14	1,970	-	10	-	1,994
	14	1,970	-	10	-	1,994
Financial liabilities						
Trade and other payables	-	139	-	-	-	139
Amount due to a shareholder	-	-	-	-	30	30
Amount due to director	-	-	-	-	57	57
	-	139	-	-	87	226
Net financial asset/(liabilities)	14	1,831	-	-	(87)	1,768

The sensitivity analysis in the table below details the impact of changes in foreign exchange rates on the Group's post-tax profit or loss for each reporting period.

It is assumed that the named currency is strengthening or weakening against all other currencies, while all the other currencies remain constant.

If the USD strengthened or weakened by 10% against the other currencies, with all other variables in each case remaining constant, then the impact on the Group's post-tax profit or loss would be gains or losses as follows:

	Strengthen US$'000	Weaken US$'000
For the year ended 31 March 2021		
DKK	(3)	3
EUR	1	(1)
GBP	(1)	1

	Strengthen US$'000	Weaken US$'000
For the year ended 31 March 2022		
DKK	(3)	3
EUR	1	1
GBP	(1)	1

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of reporting period in relation to each class of recognized financial assets is the carrying amounts of those assets as stated in the statement of financial position.

To minimise this risk the Group has a policy of only dealing with customers who have either demonstrated creditworthiness or can provide sufficient collateral. To determine previous creditworthiness the Group makes use of independent rating agencies, other publicly available financial information and its own trading records. The Group's exposure and its customers creditworthiness is continually monitored so that any potential problems are detected at an early stage. In addition, credit limits are set in order to minimise credit exposure.

Ageing analysis

The ageing analysis of trade and other receivables at the end of the reporting periods as follow:

	Gross amount US$'000	Individual impairment US$'000	Carrying value US$'000
At 31 March 2021			
Not past due	-	-	-
	-	-	-
At 31 March 2022			
Not past due	-	-	-
	-	-	-

The Group's normal trade credit term range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. No impairment provision made against the carrying value of the trade receivables at each reporting period.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves, banking facilities and reserve borrowing facilities. They do this by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As set out in note 2, the directors have considered the liquidity risk as part of their going concern assessment.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group can be required to pay.

2022	Carrying amount US$'000	Within 1 year or on demand US$'000	Over 1 year but less than 5 years US$'000
Accrual and other payables	139	139	-
Amount due to a shareholder	30	30	-
Amount due to a director	57	57	-
	226	226	-

2021	Carrying amount US$'000	Within 1 year or on demand US$'000	Over 1 year but less than 5 years US$'000
Accrual and other payables	358	358	-
Amount due to a shareholder	30	30	-
Amount due to a director	193	193	-
	581	581	-

Interest rate risk

The Group's exposure to interest rate risk mainly arises from its bank balances. As a result, the exposure of interest rate risk is considered not significant. The Group does not use any other derivative instruments to reduce its economic exposure to changes in interest rates.

24. Capital commitments

There Group's has no capital commitment engaged.

25. Ultimate controlling party

There is no known ultimate controlling party.

26. Subsequent Event

There have been no subsequent events at the date of signing the financial statements.

Company Statement of Financial Position
As at 31 March 2022

	Note	As at 31-Mar-22 US$'000	As at 31-Mar-21 US$'000
Other assets			
Investments in associates	4	-	-
		-	-
Current assets			
Trade receivable		69	-
Prepayments and other receivables		4	59
Amounts due from subsidiary		2,087	92
Cash and cash equivalents		24	25
		2,184	**176**
Current Liabilities			
Accrual and other payables	6	114	343
Amounts due to shareholder	5	30	30
Amounts due to director		57	193
		201	**566**
Net Current Asset		**1,983**	**(390)**
Total Assets less Current Liabilities		**1,983**	**(390)**
Capital and reserve			
Share capital		1,849	1,849
Share premium		1,808	1,808
Other equity		(14,523)	(15,000)
Accumulated profit		12,849	10,953
Total Equity		**1,983**	**(390)**

The profit for the Company for the year ended 31 March 2022 was US$1,896 ,000 (2021: loss of US$3,723,000).

The notes to the financial statements form an integral part of these financial statements.

This report was approved and authorised for issue by the Board of Directors and signed on behalf by:

Shailen Gajera
Director
29 July 2022

Company Statement of Changes in Equity

	Share capital US$'000	Share Premium US$'000	Treasury shares US$'000	Accumulated profit US$'000	Total US$'000
As at 31 March 2020	1,849	1,808	(15,000)	14,676	3,333
Loss for the year	-	-	-	(3,723)	(3,723)
As at 31 March 2021	**1,849**	**1,808**	**(15,000)**	**10,953**	**(390)**
Profit for the year	**-**	**-**	**477**	**1,896**	**2,373**
As at 31 March 2022	**1,849**	**1,808**	**(14,523)**	**12,849**	**1,983**

Share capital comprises the ordinary issued share capital of the Company.

Share premium comprises the excess above the nominal value of the new ordinary shares issued during the period.

Retained earnings represent the aggregate retained earnings of the Company.

Treasury shares represent previous issued shares that is purchased back by the company and remains in the company's possession and which have not been cancelled.

The notes to the financial statements form an integral part of these financial statements.

1. General information

The Company is a public limited company with registered number 10829936. It was incorporated on 21 June 2017 as a public limited company in England and Wales with the name Hard ADA Rock Plc.

The financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company, and rounded to the nearest thousands (US$'000) unless it is stated otherwise.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention. The financial statements have been prepared in accordance with FRS 101 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The principal accounting policies are described below. They have all been applied consistently throughout the period.

The company meets the definition of a qualifying entity under FRS 101 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a profit and loss account for the Company alone has not been presented.

Investment

Investments in subsidiaries and associates are stated at cost less provision for impairment.

Cash and cash equivalents

Cash in the statement of financial position is cash held on call with banks.

Financial assets

The directors classify the company's financial assets as loans and receivables held at amortised cost less provisions for impairment.

The directors determine the classification of its financial assets at initial recognition.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortised cost.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

3. Staff costs

There is no employees employed by the company other than the directors. The directors are regarded as the key management and their remunerations are disclosed in note 8 to the consolidated financial statements.

4. Investments in subsidiaries and associates

The details of the subsidiary and investment in associates are set out in the note 10 to the consolidated financial statements.

5. Amounts due to shareholders

The details of the amounts from shareholders are set out in the note 20 to the consolidated financial statements.

6. Accruals and other payables

	As at 31-Mar-22 US$'000	As at 31-Mar-21 US$'000
Accruals	24	51
Other payables	89	292
	113	343

7. Share capital and share premium

The details are set out in the note 15 to the consolidated financial statements.

At 31 March 2022, the total number of issued ordinary shares of the Company was 150,000,000.