

**WENDT MIDDLE EAST FZE**

**HAMRIYAH FREE ZONE**

**SHARJAH - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND REPORT OF THE AUDITOR**

**FOR THE YEAR ENDED**

**31 MARCH, 2022**

**WENDT MIDDLE EAST FZE**  
**HAMRIYAH FREE ZONE**  
**SHARJAH - UNITED ARAB EMIRATES**  
**31 MARCH, 2022**

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**WENDT MIDDLE EAST FZE**

**DIRECTORS REPORT**

The Directors are pleased to present the Eleventh Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2022.

**Key Financials Summary: -**

(AED in Lakhs)

Particulars	FY 21-22	FY 20-21
Sales	0.22	13.41
Other Income	-	0.84
Profit /(Loss)	-1.41	0.53
Profit/(Loss) % on sales	-	4%

**WME Liquidation:-**

Considering the challenging business conditions and the viability of profitable operations in Wendt Middle East FZE, Wendt (India) Limited, the holding company and sole shareholder, had approved the proposal for voluntary de-registration of WME. Accordingly, the de-registration process was initiated in Jan' 2021. During the year the company has completed the de-registration formalities and is awaiting the clearance from Hamriyah Free Zone Authority (HFZA).

**Human Resource: -**

During the current year, Mr. Santosh Kulkarni, Manager of WME resigned from the services of the company. As the company is already under de-registration, the Board of Directors do not consider necessary to appoint any employee in WME.

**Auditors: -**

Since, the company is in the final stage of de registration, your Directors' recommend the appointment and continuation of M/s Stuart & Hamlyn as statutory auditors of the Company till deregistration is complete.

**Acknowledgement: -**

The Board of Directors will like to place on record their appreciation for the support, co-operation and guidance extended to the Company by Wendt (India) Ltd, the Company's parent Company and its Associates and Group Companies. The Directors will like to convey their sincere appreciation to the Hamriyah Free Zone Authorities (HFZA), Government Departments, the auditors, the Bankers, Customers, Suppliers and employees for their continued support and cooperation.

**SHARJAH**  
**April 21' 2022**



  
**RAJESH KHANNA**  
**AUTHORIZED DIRECTOR**



INDEPENDENT AUDITOR'S REPORT

To the Shareholder,  
Messrs. Wendt Middle East FZE  
P.O. Box 50732  
Hamriyah Free Zone,  
Sharjah, United Arab Emirates

**Opinion**

We have audited the accompanying financial statements of Messrs. Wendt Middle East FZE - Sharjah, U.A.E. (the Establishment), 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Messrs. Wendt Middle East FZE - Sharjah as at 31 March, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

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

**Emphasis of Matter:**

Without qualifying the report, we wish to highlight the content of the basis of preparation and presentation of the financial statements with regards to going concern status of the Establishment. The Board of Directors had approved the resolution for liquidation of the entity and the liquidation process is in progress. Accordingly, this financial statement for the year ended 31 March 2022 is not prepared on going concern basis. To the best of our information, knowledge, and belief and as per the explanation and assurance provided to us by the management, we do not foresee any major loss or liability arising due to voluntary de-registration process of Messrs Wendt Middle East FZE- Sharjah, UAE.





## **Other Matters**

In continuation of the liquidation process of the entity, the Board has passed a resolution approving the reduction of share capital from AED 1,200,000/- to AED 107,000/- and submitted the duly attested resolution with Hamriyah Free Zone Authority for modifying the share capital. As the entity has repaid the surplus share capital back to the parent Company on 8 March, 2022, the entity has reduced the capital in the books, while awaiting approval from HFZA. This financial statement reports the reduced share capital of AED 107,000/-.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control that the management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the planning and performance of the audit. We also:

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





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's report. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Considering the management's intention to liquidate the entity in near future, the financial statements for the year ended 31 March, 2022 is not prepared on going concern basis.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Legal and Regulatory Requirements**

Also in our opinion:

1. We have obtained all the information we considered necessary for the purposes of our audit;
2. The Establishment has maintained proper books of account;
3. Note 11 to the financial statements of the Establishment discloses material related party transactions and the terms under which they were conducted;
4. The financial statement have been prepared and comply in all material respects, with the applicable provisions of Hamriyah Free Zone – Sharjah;
5. Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Establishment has contravened during the financial year ended 31 March, 2022 any of the applicable provisions of Hamriyah Free Zone - Sharjah which would materially affect its activities or its financial position as at 31 March, 2022.

**Joseph Philip**  
**Registration No. 749**  
**STUART & HAMLYN**  
**CHARTERED ACCOUNTANTS**



**ISSUED IN DUBAI ON 21 APRIL, 2022**

**WENDT MIDDLE EAST FZE - HAMRIYAH FREE ZONE, SHARJAH - U.A.E.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH, 2022**

<b>Assets</b>	<b>Note</b>	<b>2022 AED</b>	<b>2021 AED</b>
<b>Current assets</b>			
Property, plant and equipment - net carrying amount	5	-	694
Inventory	6	-	16,846
Trade and other receivable	7	-	682,939
Prepayments, deposits and advance	8	10,950	26,260
Bank current account balances		18,322	1,008,643
<b>Total assets</b>		<b>29,272</b>	<b>1,735,382</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Provision for employees end of service benefits	9	-	15,342
Accounts payable	10	-	401,982
Related party	11	29,272	83,641
<b>Total liabilities</b>		<b>29,272</b>	<b>500,965</b>
<b>Equity</b>			
Share capital	12	107,000	1,200,000
Legal reserve	13	263,824	263,824
Accumulated (losses)		(370,824)	(229,407)
<b>Total equity</b>		<b>-</b>	<b>1,234,417</b>
<b>Total liabilities and equity</b>		<b>29,272</b>	<b>1,735,382</b>

The accounting policies and notes attached herewith form part of these financial statements.

The independent auditor's report is set forth on page 2-4



**DIRECTOR**

**APPROVED ON 21 APRIL 2022**





**WENDT MIDDLE EAST FZE - HAMRIYAH FREE ZONE, SHARJAH - U.A.E.  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH, 2022**

	Note	2022 AED	2021 AED
Revenue		21,647	1,341,130
Direct cost		(16,846)	(736,288)
<b>Gross profit</b>		<u>4,801</u>	<u>604,842</u>
<b>Operating, administrative and general expenses</b>	14	(138,265)	(639,739)
(Loss) on foreign currency exchange		(7,953)	-
Other income	15	-	88,149
<b>Net (loss)/profit before legal reserve</b>		<u>(141,417)</u>	<u>53,252</u>
Legal reserve		-	(5,325)
<b>Net (loss)/profit for the year</b>		<u><b>(141,417)</b></u>	<u><b>47,927</b></u>

The accounting policies and notes attached herewith form part of these financial statements.

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DIRECTOR

APPROVED ON 21 APRIL 2022





**WENDT MIDDLE EAST FZE - HAMRIYAH FREE ZONE, SHARJAH - U.A.E.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH, 2022**

	<b>Share capital AED</b>	<b>Legal reserve AED</b>	<b>Accumulated (losses) AED</b>	<b>Total AED</b>
Balance at 31 March, 2020	1,200,000	258,499	(277,334)	1,181,165
Net profit for the financial year 2020-2021	-	-	53,252	53,252
Legal reserve	-	5,325	(5,325)	-
<b>Balance at 31 March, 2021</b>	<b>1,200,000</b>	<b>263,824</b>	<b>(229,407)</b>	<b>1,234,417</b>
Net (loss) for the financial year 2021-2022	-	-	(141,417)	(141,417)
Share capital reduction during the year	(1,093,000)	-	-	(1,093,000)
<b>Balance at 31 March, 2022</b>	<b>107,000</b>	<b>263,824</b>	<b>(370,824)</b>	<b>-</b>

The accounting policies and notes attached herewith form part of these financial statements.

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**DIRECTOR**

**APPROVED ON 21 APRIL 2022**



**WENDT MIDDLE EAST FZE - HAMRIYAH FREE ZONE, SHARJAH - U.A.E.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH, 2022**

	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
<b>Operating activities</b>		
Net (loss)/profit for the year	(141,417)	47,927
Adjustments for:		
Legal reserve	-	5,325
Depreciation	694	348
Provision for employees end of service benefits	6,616	7,000
Net cash flow before changes in operating assets and liabilities	<u>(134,107)</u>	<u>60,600</u>
<b>Changes in operating assets and liabilities:</b>		
Inventory	16,846	(1,687)
Prepayments, deposits and advance	15,310	35,797
Trade and other receivable	682,939	(424,431)
Accounts payable	(401,982)	379,305
Related party	(54,369)	160,903
Settlement of employee end of service benefits	(21,958)	-
Net cash generated from operating activities	<u>102,679</u>	<u>210,487</u>
<b>Investing activities</b>		
Payment for purchase of property, plant and equipments	<u>-</u>	<u>(799)</u>
<b>Financing activities</b>		
Share capital reduction	<u>(1,093,000)</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents	(990,321)	209,688
Cash and cash equivalents at the beginning of the year	1,008,643	798,955
<b>Cash and cash equivalents at the end of the year</b>	<u><u>18,322</u></u>	<u><u>1,008,643</u></u>

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The independent auditor's report is set forth on page 2-4



**DIRECTOR**

**APPROVED ON 21 APRIL 2022**

