

DIGISPICE ZAMBIA LIMITED (FORMERLY SPICE VAS ZAMBIA LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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COMPANY INFORMATION

BOARD OF DIRECTORS : Mr. Arun Nagar - Indian
: Mr. Martin Mulenga Ng'andu- Zambian
: Mr. Gagandeep Singh - Indian resigned 28th April 2021.
:

REGISTERED OFFICE : 2nd Floor
Chanik House
Off cairo Road
Lusaka

PRINCIPAL PLACE OF BUSINESS : Airtel House
Addis Ababa Road
Long Acres
Lusaka

INDEPENDENT AUDITOR : LML Chartered Accountants
Suite 2 Buungano Suites
Longacres
Lusaka

COMPANY SECRETARY : LML Chartered Accountants
Suite 2 Buungano Suites
Longacres
Lusaka

PRINCIPAL BANKERS : Stanbic Bank Zambia Limited
Stanbic Mulungushi Branch
P.O.Box 72647
Lusaka
Zambia

PARENT COMPANY : Spice VAS (Africa) Pte. Ltd.
60 Paya Lebar Road
£09-43 Paya Lebar Square
Singapore 409051

ULTIMATE HOLDING COMPANY : Smart Global Corporate Holding Private Limited
A-10, Street No. 2,
North Chhajupur, Shahdara,
New Delhi - 110093

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 2022, which disclose the state of affairs of the company.

INCORPORATION

The company was incorporated on 1 September 2011 under the Zambian Companies Act as a private company limited by shares.

COMPANY'S VISION

To cater to the need of best quality music, entertainment and information to the mobile users of Zambia at affordable prices and best experience.

COMPANY'S MISSION

To become key service provider in the space of digital music and entertainment in Zambia.

PRINCIPAL ACTIVITIES

The principal activities of the company are to provide mobile value added services like premium SMS services, ring back tone service, music on demand & other additional services in the same line.

COMPOSITION OF THE Board OF DIRECTORS

The directors who held office during the year and at the date of this report are shown below:

Name	Age	Position	Nationality
Mr. Arun Nagar	58	Director	Indian
Mr. Martin Mulenga Ng'andu	50	Director	Zambian

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

RESULTS

	2022 ZMW	2021 ZMW
Profit before tax	466,720	801,721
Tax charge	(204,923)	(382,175)
Profit for the year	<u>261,797</u>	<u>419,546</u>

CORPORATE GOVERNANCE

The Board of Digispice Zambia Limited (formerly Spice VAS Zambia Limited) consisted of two directors. The Board takes overall responsibility for the company, including responsibility for identifying key risk areas, considering and monitoring significant investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

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

SHARE CAPITAL

The authorised share capital of the company is Zambian Kwacha 15,000 divided into 15,000 ordinary shares of Zambian Kwacha 1.00 each. The paid up share capital of the company is ZMW5,000 divided into 5,000 ordinary shares of ZMW 1.00 each.

SHAREHOLDERS OF THE COMPANY

The shareholders of the company as on March 31, 2021 are as follows:

Name of shareholders	% sharehold ing	No of shares held
Spice VAS (Africa) Pte. Ltd.	99.98%	4,999
Mr. Madhusudan Venkatachary (as a nominee of behalf of Spice VAS (Africa) Pte. Ltd.)	0.02%	1
	<u>100%</u>	<u>1</u>

REPORT OF THE DIRECTORS (CONTINUED)

FUTURE DEVELOPMENT PLANS

There are no immediate future development plans.

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2021: Nil).

RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 31 March 2022 and is of the opinion that they met the accepted criteria.

SOLVENCY

The Board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that Digispice Zambia Limited (formerly Spice VAS Zambia Limited) has adequate resources to continue in operational existence for the foreseeable future.

STOCK EXCHANGE INFORMATION

Digispice Zambia Limited (formerly Spice VAS Zambia Limited) is not listed on the Lusaka Stock Exchange. The ultimate holding company - Smart Global Corporate Holding Private Limited is a private company incorporated in India and not listed on any stock exchange.

EMPLOYEES' WELFARE

Management and employees' relationship

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

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

Training facilities

Staff are trained on the job in order to improve employee's technical skills and hence effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees have some form of annual training to upgrade skills and enhance development.

Medical assistance

All members of staff were availed medical insurance guaranteed by the Board. Currently these services are provided by Jubilee Insurance.

Health and safety

The company has a strong health and safety program which ensures that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary

Financial assistance to staff

Loans are available to all confirmed employees depending on the assessment of and the discretion of management as to the need and circumstances.

Persons with disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy of the company that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee benefit plan

The company's employment terms are reviewed annually to ensure that they meet statutory and market conditions. The company contributes 10% of the employee's salary to the National Pension Scheme Authority (NAPSA).

GENDER PARITY

The company had 1 employees, out of which 1 were male and NIL was female (2021: 1 employees, 1 male and Nil female).

REPORT OF THE DIRECTORS (CONTINUED)

MANAGEMENT

The Management of the Company is under the Board of Directors and is organized in the following

- Finance Department
- Sales and Operations Department
- Marketing Department

RELATED PARTY TRANSACTIONS

Details of transactions and balances with related parties are included in Note 14 of the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

The company pays due respect to its macro and micro environment through ensuring the following:

- An equal opportunity employer aiming to ensure that everyone working for us is treated fairly and given the maximum opportunity to fulfill their potential and that all our workplaces are safe and healthy.
- Minimize the use of papers and energy with consideration given to the effects of global warming.
- Ensuring that customers get value for money services by providing efficient and effective service.
- Improve the locality through fair and honest treatment towards all stakeholders in an effort to uphold economic and social standards of the country.

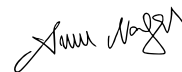
INDEPENDENT AUDITOR

LML Chartered Accountants will retire at the annual general meeting and have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment as auditor of the company for the year ended 31 March 2023 will be tabled in the Annual General Meeting.

BY ORDER OF THE Board

Director

2022



Director

2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required in terms of the Section 253 (3) of the Companies Act of 2017 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards and the requirements of the Companies Act of 2017. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of 2017, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

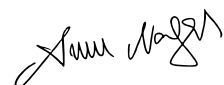
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal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

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

The directors have reviewed the company's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 28 were authorized and approved by the board of directors on ,2022 and were signed on its behalf by:



Mr. Arun Nagar
Director

Mr. Mulenga Ng'andu
Director

REPORT OF THE INDEPENDENT AUDITOR

To the members of:

Digispice Zambia Limited

Opinion

We have audited the financial statements of Digispice Zambia Limited, which comprise the statement of financial position as at 31 March, 2022 and the statement of 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

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of the Company 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 of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics 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 audit opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the Company's financial reporting purpose.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- ▶ Evaluate the overall presentation, structure and content of the 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 responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. We 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

In accordance with Section 259 (3) of the Companies Act of Zambia (the Act), we consider and report that:

- there is no relationship, interest or debt that we have with the Company; and
- there were no serious breaches of corporate governance principles or practices by the Directors. The statement is made on the basis of the corporate governance provisions of the Act, Part VII – Corporate Governance of the Companies Act of Zambia.

LML CHARTERED ACCOUNTANTS

Makasa Lazarous Luombe (AUD/F000819)
PARTNER

Date: _____

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022 ZMW	2021 ZMW
Revenue	2.	3,370,747	4,334,557
Cost of sales		(1,305,130)	(2,530,891)
Gross profit		2,065,617	1,803,666
Administrative expenses	3.	(314,737)	(531,004)
Other operating expenses	3.	(1,330,743)	(279,954)
Selling and distribution expenses	3.	(40,064)	(110,107)
Operating profit		380,074	882,600
Finance costs	4.	86,646	(80,879)
Profit before tax		466,720	801,721
Tax charge	5.	(204,923)	(382,175)
Profit for the year		261,797	419,546
Total comprehensive profit for the year		261,797	419,546

The significant accounting policies on pages 12 to 19 and the notes on pages 20 to 28 form an integral part of these financial statements.

Report of the independent auditor - pages 6 to 7.

STATEMENT OF FINANCIAL POSITION

	Note	2022 ZMW	2021 ZMW
Assets			
Non current assets			
Equipment	7.	2,179	9,379
Deferred tax	8.	-	-
		<u>2,179</u>	<u>9,379</u>
Current assets			
Trade and other receivables	9.	2,115,290	4,174,690
Amounts due from related companies	13(i)(iii)	-	-
Cash and cash equivalents	10.	1,105,898	1,146,351
		<u>3,221,188</u>	<u>5,321,041</u>
Total assets		<u><u>3,223,367</u></u>	<u><u>5,330,420</u></u>
Equity and Liabilities			
Equity			
Share capital	6.	5,000	5,000
Retained earnings		1,753,114	1,491,317
Shareholders' funds		<u>1,758,114</u>	<u>1,496,317</u>
Current liabilities			
Trade and other payables	11.	1,359,123	2,692,257
Amounts due to related companies	13.	(712,963)	527,100
Employee obligations		-	576
Taxation payable	5.	819,093	614,170
		<u>1,465,253</u>	<u>3,834,103</u>
Total equity and liabilities		<u><u>3,223,367</u></u>	<u><u>5,330,420</u></u>

The financial statements on pages 8 to 28 were authorized and approved for issue by the Board of Directors on _____, 2022 and were signed on its behalf by:

Mr. Arun Nagar
Director

Mr. Mulenga Ng'andu
Director

The significant accounting policies on pages 12 to 19 and the notes on pages 20 to 28 form an integral part of these financial statements.

Report of the independent auditor - pages 6 to 7.

STATEMENT OF CHANGES IN EQUITY

	Share capital ZMW	Retained earnings ZMW	Total ZMW
Year ended 31 March 2021			
At start of year	5,000	1,071,771	1,076,771
Total comprehensive profit for the year	-	419,546	419,546
At end of year	5,000	1,491,317	1,496,317
Year ended 31 March 2022			
At start of year	5,000	1,491,317	1,496,317
Total comprehensive profit for the year	-	261,797	261,797
At end of year	5,000	1,753,114	1,758,114

The significant accounting policies on pages 12 to 19 and the notes on pages 20 to 28 form an integral part of these financial statements.

Report of the independent auditor - pages 6 to 7.

STATEMENT OF CASH FLOWS

	Note	2022 ZMW	2021 ZMW
Operating activities			
Cash (used in)/generated from operating activities	12.	(40,453)	1,066,836
Tax paid	5.	-	-
Net cash (used in)/generated from operating activities		<u>(40,453)</u>	<u>1,066,836</u>
Investing activities			
Purchase of equipment	7.	-	-
Net cash used in investing activities		<u>-</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		<u>(40,453)</u>	<u>1,066,836</u>
Movement in cash and cash equivalents			
At start of year		1,146,351	79,515
(Decrease)/increase		(40,453)	1,066,836
At end of year		<u>1,105,898</u>	<u>1,146,351</u>

The significant accounting policies on pages 12 to 19 and the notes on pages 20 to 28 form an integral part of these financial statements.

Report of the independent auditor - pages 6 to 7.

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

a) Basis of preparation

Going concern

The financial performance of the company is set out in the Director's report and in the statement of comprehensive income. The financial position of the company is set out in the statement of financial position. Disclosures in respect of risk management are set out in Note 15.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Section 253 (3) Zambian Companies Act 2017. The statement of comprehensive income represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

New standards adopted by the company

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Changes resulting from the following new or revised standards and interpretations, amendments to existing standards and interpretations and improvements to IFRS that were effective for the current reporting period did not have any impact on the accounting policies, financial position or performance of the Company.

The new standards or amendments are listed below:

- a) Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
- b) Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
- c) Amendments to IAS 27: Equity Method in Separate Financial Statements
- d) Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
- e) IFRS 14 Regulatory Deferral Accounts
- f) Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
- g) Amendments to IAS 1 Disclosure Initiative
- h) Annual Improvements 2012-2014 Cycle
 - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
 - IFRS 7 Financial Instruments: Disclosures
 - IAS 19 Employee Benefits
 - IAS 34 Interim Financial Reporting

Standards issued but not yet effective

There are Standards issued but not yet effective up to the date of issuance of the Company's financial statements. The Company reasonably expects these to be applicable at a future date. The Company intends to adopt those standards when applicable as they become effective.

The Company expects that adoption of these standards, amendments and interpretations in most cases not to have any significant impact on the Company's financial position or performance in the period of initial application. In cases where it will have an impact, the Company is still assessing the possible impact.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Useful life of equipment and intangible asset - Management reviews the useful lives and residual values of the items of equipment and intangible on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

(ii) Impairment of trade receivables - the company reviews their portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cashflows expected.

(iii) Operating lease commitment

The company has entered in to leases over its office premises. Management has determined that the company has not obtained substantially all the risks and rewards of ownership of the property, therefore the leases have been classified as operating leases and accounted for accordingly.

(iv) Revenue recognition

In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the performance of services set out in IAS 18.

(v) Impairment of non - financial assets

The company reviews its non financial assets to assess the likelihood of impairment on an annual basis. In determining whether such assets are impaired, management makes judgments as to whether there are any conditions that indicate potential impairment of such assets.

(vi) Taxes

The Company is subjected to several taxes and levies by various government and quasi- government regulatory bodies. As a rule of thumb, the Company recognizes liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgment is usually required in the interpretation and applicability of those taxes/levies. Should it come to the attention of management, in one way or the other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and performance of services, in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met of the company's activities. The company bases its estimates on results, taking into consideration the type of customer, type of transaction and specifics of each arrangement. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

Revenue from services for ring back tones, SMS revenue and other revenues is recognized on completion of provision of services on accrual basis. However, Revenue from these services is billed in the subsequent month when the services provided are confirmed by the operator. Any amount of services provided remaining unconfirmed on reporting date is treated as unbilled revenue.

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Zambian Kwacha (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not translated using the exchange rate at the date of transaction.

The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise except for:

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

e) Equipment

All equipment are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Equipment (continued)

Depreciation is calculated on the straight line method to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

Item	Rates %
Motor vehicles	10.00
Office machines & equipment	14.29
I.T equipment	33.33
I.T. On Site	20.00

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the statement of financial position date.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating loss.

f) Intangible asset

Computer software licences are capitalised on the basis of the costs incurred to acquire. These costs are amortised over their estimated useful lives.

Computer software licences are amortised on a straight line basis over a 5 year period.

g) Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition.

Financial assets

The company's financial assets which include trade and other receivables and cash and cash equivalents fall in the following category:

Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the statement of financial position date. All assets with maturities greater than 12 months after the statement of financial position date are classified as non-current assets. Changes in the carrying amount are recognised in the statement of comprehensive income.

Management classify the fair values of financial assets based on the qualitative characteristics of the fair valuation as at the financial year end. The three hierarchy levels used by management are:

Level 1: where fair values are based on non-adjusted quoted prices in active markets for identical financial assets.

Level 2: where fair values are based on adjusted quoted prices and observable prices of similar financial assets.

Level 3: where fair values are not based on observable market data.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Financial liabilities

The company's financial liabilities which include trade and other payables and current tax fall into the following category:

Financial liabilities measured at amortised cost: These include trade and other payables and current tax. These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

All financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are recognised in profit or loss.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Derecognition (continued)

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled or expired.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in the statement of comprehensive income.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in the statement of comprehensive income except for equity investments classified as available for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in the statement of comprehensive income within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to/(from) group companies

These include loans to and from holding companies and fellow subsidiaries and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, net of bank overdrafts. These are initially and subsequently recorded at fair value.

Restricted cash balances are those balances that the company cannot use for working capital purposes as they have been placed as a lien to secure borrowings.

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

Cash and cash equivalents are classified as loans and receivables.

h) Share capital

Ordinary shares are classified as equity.

i) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax assets and liabilities

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

j) Accounting for leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating Lease

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Provisions

A provision for impairment is established when there is objective evidence that the company will not be able to collect the amounts due according to the original terms of the original receivable. Allowances for impairment are recorded in the year in which they are identified.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre - tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

l) Employee entitlements

Short term employee benefits

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

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

Retirement benefit obligations

The company and its employees contribute to the National Pension Scheme Authority (NAPSA), a statutory defined contribution scheme registered under the NAPSA Act. The company's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate.

National Pensions Scheme Authority (NAPSA)

NAPSA is a pension scheme formed to provide income security against the risk arising from retirement (old age), death and invalidity with a focus on adequacy of benefits and monthly receipt of pension. in a better way than the repealed ZNPF. This is achieved through the payment of different kinds of benefits to its members.

All employees contribute 5% of the monthly gross earnings and employers contribute 5% of their employees monthly gross earnings.

m) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparing the financial statements

As at 31 March 2022, the company has reported a net current liabilities amounting to **ZMW 1,755,935** (2021: net current assets 1,486,938) and profit before tax **ZMW466,720** (2021: 801,721). The shareholders' fund amounted to **ZMW 1,758,114** (2021: 1,496,317).

	2022	2021
	ZMW	ZMW
2. Revenue		
Beatz Revenue	550	4,159
Buddy Call Revenue	-	(363)
Content Monetization Revenue	1,144,385	3,980,674
Devotional Portal Revenue	17,716	10,206
Games Revenue	241,180	132,352
Infopedia Services	-	(528)
Learn French	-	(188)
MOD Revenue	116,012	354,902
MTN CRBT	-	(1,007,059)
Music scorerer	-	-
OBD Revenue	(30,238)	30,507
Zamtel CRBT	1,881,143	829,894
	3,370,747	4,334,557
3. Operating profit		
	2022	2021
	ZMW	ZMW
The following items have been charged in arriving at the operating profit:		
Administrative expenses	314,737	531,004
Other operating expenses	1,330,743	279,954
Selling and distribution expenses	40,064	110,107
	1,685,544	921,065
4. Finance costs		
	2022	2021
	ZMW	ZMW
Bank charges	17,527	9,067
Interest	(25,776)	(17,890)
Net foreign exchange loss	(78,397)	89,702
	(86,646)	80,879
5. Tax		
Current tax	204,923	382,175
	204,923	382,175

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	ZMW	ZMW
5. Tax (continued)		
The tax on the company's /profit before tax differs from the theoretical amount that would arise using the basic rate as follows:		
Profit before tax	466,720	801,721
Tax calculated at a rate of 35% (2021: 35%)	163,352	280,602
Tax effect of:		
Depreciation	2,520	2,730
Provision for bad debt	39,051	98,843
	204,923	382,175
Tax movement - payable		
At start of year	614,170	231,995
Charge for the year	204,923	382,175
Tax paid	-	-
	819,093	614,170

The normal procedure for agreeing final income tax liability in Zambia involves the company filing its final income tax returns with the Zambia Revenue Authority (ZRA) followed by ZRA performing their own review of the company's submissions and issuing their notice of income tax assessments to the company. The final income tax liability as determined by ZRA after their review may differ from the liability determined by the company and procedures are in place for the company to object and appeal against such assessments. It is common that a timeframe from the company's own submission of its final tax returns and for ZRA performing their review and issuing of notice of final tax assessment may take several months or years.

	2022	2021
	ZMW	ZMW
6. Share capital		
Authorized share capital:		
15,000 shares of ZMW1.00 each	15,000	15,000
Issued and fully paid:		
5,000 shares of ZMW1.00 each	5,000	5,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Equipment

	Motor vehicle ZMW	Office equipment ZMW	IT equipment ZMW	IT on Site ZMW	Total ZMW
Year ended 31 March 2022					
Cost					
At start of year	72,000	870	43,402	3,044,421	3,160,693
Additions	-	-	-	-	-
	<u>72,000</u>	<u>870</u>	<u>43,402</u>	<u>3,044,421</u>	<u>3,160,693</u>
Depreciation					
At start of year	67,200	870	38,823	3,044,421	3,151,314
Charge for the year	4,800	-	2,400	-	7,200
	<u>72,000</u>	<u>870</u>	<u>41,223</u>	<u>3,044,421</u>	<u>3,158,514</u>
At end of year					
Net book value	<u>-</u>	<u>-</u>	<u>2,179</u>	<u>-</u>	<u>2,179</u>

The cost of fully depreciated equipment is as follows:

	2022 ZMW	2021 ZMW
Office equipment	870	870
Motor vehicle	72,000	-
IT equipment	36,202	36,202
IT on Site	3,044,421	3,044,421
	<u>3,153,493</u>	<u>3,081,493</u>

In the opinion of directors, there is no impairment in the value of equipment.

	Motor vehicle ZMW	Office equipment ZMW	IT equipment ZMW	IT on Site ZMW	Total ZMW
Year ended 31 March 2021					
Cost					
At start and end of year	<u>72,000</u>	<u>870</u>	<u>43,402</u>	<u>3,044,421</u>	<u>3,160,693</u>
Depreciation					
At start of year	60,000	870	36,423	3,044,421	3,141,714
Charge for the year	7,200	-	2,400	-	9,600
	<u>67,200</u>	<u>870</u>	<u>38,823</u>	<u>3,044,421</u>	<u>3,151,314</u>
At end of year					
Net book value	<u>4,800</u>	<u>-</u>	<u>4,579</u>	<u>-</u>	<u>9,379</u>

The cost of fully depreciated equipment is as follows:

	2021 ZMW	2020 ZMW
Office equipment	870	870
IT equipment	36,202	36,202
IT on Site	3,044,421	3,044,421
	<u>3,081,493</u>	<u>3,081,493</u>

In the opinion of directors, there is no impairment in the value of equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2022 **2021**
ZMW **ZMW**

8. Deferred tax

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30%. The movement on the deferred tax account is as follows:

	2022	2021
	ZMW	ZMW
At start of year	-	-
(Credit)/charge to statement of comprehensive income (Note 5)	-	-
	-	-
At end of year	-	-

Deferred tax asset or liability and deferred tax charge/(credit) are attributable to the following items:

	At start of year	Charge/ (credit) to SCI	At end of period
	ZMW	ZMW	ZMW
Year ended 31 March 2021			
Deferred tax asset			
Provision for bad debt	-	-	-
Loss carried forward	-	-	-
Excess capital allowances over depreciation and amortization	-	-	-
	-	-	-
Net deferred tax asset	-	-	-
Year ended 31 March 2020			
Deferred tax asset			
Provision for bad debt	-	-	-
Loss carried forward	-	-	-
Excess capital allowances over depreciation and amortization	-	-	-
	-	-	-
Net deferred tax asset	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	ZMW	ZMW
9. Trade and other receivables		
Trade receivables	2,273,215	4,063,776
Less: provision for impairment {Note 9(a)}	(539,941)	(428,367)
	<hr/>	<hr/>
Net trade receivables	1,733,274	3,635,409
Unbilled debtors	316,191	512,722
Other receivables	605,073	565,807
Less: provision for impairment {Note 9(a)}	(539,248)	(539,248)
	<hr/>	<hr/>
Trade and other receivables	2,115,290	4,174,690
	<hr/> <hr/>	<hr/> <hr/>
9(a) Movement in provision for impairment		
At start of year	967,615	685,207
Increase	111,575	282,408
	<hr/>	<hr/>
At end of year (Note 9)	1,079,189	967,615
	<hr/> <hr/>	<hr/> <hr/>
<p>The company's credit risk arises primarily from trade receivables. The directors are of the opinion that the company's exposure is limited because the debt is widely held.</p> <p>The carrying amounts of trade and other receivables are denominated in the following currencies:</p>		
Zambian Kwacha	2,115,290	4,174,690
US Dollars	-	-
	<hr/>	<hr/>
	2,115,290	4,174,690
	<hr/> <hr/>	<hr/> <hr/>
<p>The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The company does not hold any collateral as security.</p> <p>Trade receivables that are aged past 30 days are considered to be past due.</p> <p>Individually impaired receivables mainly relate to customers, who are in unexpectedly difficult economic situations. These have been fully provided for as stated above.</p> <p>The ageing analysis of these trade receivables is as follows:</p>		
30 to 180 days	1,910,474	3,509,962
Over 180 to 360 days	204,816	664,728
Over 360 days	-	-
	<hr/>	<hr/>
	2,115,290	4,174,690
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	ZMW	ZMW
10. Cash and cash equivalents		
Cash at bank	1,105,898	1,146,351
Total	1,105,898	1,146,351

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the above.

The company is not exposed to credit risk on cash and bank balances as these are held with sound financial institution.

The carrying amounts of the company's cash and cash equivalents are denominated in the following currencies:

Zambian Kwacha	1,069,320	1,124,665
US Dollars	36,578	21,686
	1,105,898	1,146,351

11. Trade and other payables

Trade Payables	681,292	2,203,503
Statutory Payables	314,008	181,104
PLI Payable	-	7,920
Accruals	379,643	321,357
Other Payables	(15,820)	(21,627)
	1,359,123	2,692,257

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair value.

The carrying amounts of trade and other payables are denominated in the following currencies:

	2022	2021
	ZMW	ZMW
Zambian Kwacha	1,359,123	2,692,257
US Dollars	-	-
	1,359,123	2,692,257

The maturity analysis based on ageing of trade and other payables is as follows:

	1 to 3	4 to 12	Total
	months	months	2021
	ZMW	ZMW	ZMW
Trade payables	681,292	-	681,292
Statutory payables	314,008	-	314,008
PLI Payable	-	-	-
Accruals	379,643	-	379,643
Other Payables	(15,820)	-	(15,820)
	1,359,123	-	1,359,123

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	ZMW	ZMW
12. Cash generated from operations		
Reconciliation of profit before tax to cash generated from operations:		
Profit before tax	466,720	801,721
Adjustments for:		
Depreciation on equipment (Note 7)	7,200	9,600
Changes in working capital:		
- Trade and other receivable	2,059,400	(1,086,092)
- Trade and other payables	(1,333,710)	1,240,332
- Related party balances	(1,240,063)	101,275
Cash generated from operations	(40,453)	1,066,836
13. Related party transactions and balances		
The following balances arose out of transactions carried out with related parties:		
	2022	2021
	ZMW	ZMW
(i) Amounts due from related parties		
Spice VAS (Africa) Pte Limited	712,963	-
	712,963	-
(ii) Amounts due to related parties		
DigiSpice Tanzania Limited	-	44,084
	-	44,084
(iii) Amounts due (to)/from related parties against Management fees/Technical Support fees		
Spice VAS (Africa) Pte Limited	-	(483,016)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Related party transactions and balances (continued)

(v) Outstanding balances arising from related parties (payable)/receivable

	Spice VAS (Africa) Pte Limited ZMW	DiGispice Tanzania Limited ZMW	Total ZMW
At the start of the year	(483,016)	(44,084)	(527,100)
Transaction during the year	1,195,979	44,084	1,240,063
At the end of the year	712,963	-	712,963

15. Risk management objectives and policies

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, and interest rate risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the management under policies approved

(i) Foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future transactions, assets and liabilities in the statement of financial position.

The company does not hedge foreign exchange fluctuations.

(ii) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions as well as credit exposures to customers

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasting is performed by the finance department of the company by monitoring the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits on any of its borrowing facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Capital management

Internally imposed capital requirements

The company's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing products commensurate with the level of risk;
- to comply with the capital requirements set out by the company's bankers;
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to maintain a strong asset base to support the development of business and;
- to maintain an optimal capital structure to reduce the cost of capital.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

17 Incorporation

Digispice Zambia Limited (formerly Spice VAS Zambia Limited) is incorporated in Zambia under the Companies Act 1994 (as amended) as a private limited liability company and is domiciled in with Certificate of Incorporation number 95239

18 Events after Balance Sheet date

At the date of finalisation of the financial statements, there were no material events that occurred subsequent to the statement of financial position date that require adjustment of, or disclosure in, the financial statements. However, the following material subsequent event requires disclosure in the financial statements:

COVID 19 Outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic. Many governments are taking increasingly stringent steps to help contain the spread of the virus, including: requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. The pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of finalization of the financial statements its effects are subject to significant levels of uncertainty.

The impact of the coronavirus will be closely monitored and assessed for its impact on the Company. The Company has undertaken a variety of measures and implemented contingency plans to mitigate the negative impact of the Corona virus pandemic. The response plan covers operational and credit risk responses to ensure that the Company will be able to operate. There could potentially be adverse effects on the valuation of some financial instruments as the global equity markets experience negative shocks and volatility. There is a high chance that this continued pressure on the economy, as a result of the COVID-19 pandemic, would lead to significant impact on the liquidity position. In light of the above, management has re-assessed the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Based on the assessment performed, management is of the view that the significant doubt associated with the current uncertainties related to the COVID-19 virus currently does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The directors concur with this assessment.

SCHEDULE OF EXPENDITURE

	2022	2021
	ZMW	ZMW
1. Cost of sales		
Content Expenses	17,320	19,806
Content Payouts	1,287,810	2,499,085
Prompt Recording charges	-	-
Short code Fee	-	12,000
Total cost of sales	1,305,130	2,530,891
2. Administrative expenses		
Directors' remuneration	41,795	79,059
Pension contributions	11,359	11,524
Staff costs	261,583	440,422
Total administrative expenses	314,737	531,004
3. Other operating expenses		
Accountancy Charges	35,000	31,000
Audit fees	80,000	63,449
Communication	7,760	11,610
Computer consumables	-	9,378
Consultancy_CMS	-	(215,797)
Depreciation	7,200	9,600
Doubtful Debts	111,575	282,408
Insurance	-	-
Interest & Penalty	881	317
Legal & Professional Fees	8,000	(38,750)
Misc Balances Written Off	15,208	6,883
Office expenses	200	73,507
Postage & courier	1,215	-
Printing & Stationery	1,938	2,728
Rent	-	-
Repair & Maintenance	-	-
Repair & Maintenance	16,531	-
Short & Excess Write-Off	2,582	13
Staff Welfare Expenses	924	927
Technical Support Charges	1,011,220	-
Travelling - Local	-	-
Travelling Expenses	30,510	42,682
Visa Fee/Work Permit Fee	-	-
Work Permit Fee	-	-
Total other operating expenses	1,330,743	279,954

The above schedule does not form an integral part of these financial statements and is not audited

SCHEDULE OF EXPENDITURE (CONTINUED)

	2022	2021
	ZMW	ZMW
4. Selling and distribution expenses		
Business meetings	3,064	-
Business promotions	37,000	110,107
Total selling and distribution expenses	40,064	110,107
5. Finance (income)/costs		
Bank charges	17,527	9,067
Interest income	(25,776)	(17,890)
Net foreign exchange (gain)/loss	(78,397)	89,702
Total finance costs	(86,646)	80,879

The above schedule does not form an integral part of these financial statements and is not

Spice VAS Zambia Limited
1-Apr-2019 to 31-Mar-2020

Particulars	Closing Balance					Audited
	Balance	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5
Capital Account						
Share Capital	(5,000.00)					(5,000.00)
Current Liabilities						
Provisions						
Provision for Corporate Tax	(780,163.00)		-	(38,930.00)		(819,093.00)
Provision for Leave Encashment	-					-
Sundry Creditors	-					-
Advances to CP	-					-
Danny Mwikisa Aka Danny Peddle	-					-
Content Partner_Other Country	-					-
Andrew Kafupi Aka Taska	(963.00)					(963.00)
Bestone Banda	(728.00)					(728.00)
Chembe Mkunsha Aka Mc Wabwino	(972.00)					(972.00)
Davies Fwalanga & William Ntoka Aka Wiyen & Demao	(1,384.00)					(1,384.00)
Felix Mangani Phiri	(6,441.00)					(6,441.00)
Gift Mwitwa B Gee	(902.00)					(902.00)
Humfrey Muchindu Aka J'cash Mula	(667.00)					(667.00)
Innocent Mumba	(1,933.00)					(1,933.00)
Jonathan Nyirenda Aka Tiye P	(2,818.00)					(2,818.00)
Judy Bwalya Melele - Judy Yo	(703.00)					(703.00)
Kachanana Simate aka Kachanana	(960.00)					(960.00)
Kondwani Munthali Aka Kondwani	(8,015.00)					(8,015.00)
Madaiso Phiri Aka Dalsoul	(3,984.00)					(3,984.00)
Marvellous Chanda - Marvellous	(813.00)					(813.00)
Masautso Nkoma Aka Ruff Kid	(5,479.29)					(5,479.29)
Matias Phiri	(1,727.00)					(1,727.00)
Matyas Zulu - One J	(706.00)					(706.00)
M Beats Generation Music Mzenga Emmanuel M Wale	(686.00)					(686.00)
Michelo Slavwapa Aka Shyman	(1,708.00)					(1,708.00)
Miriam Mumba Aka Suwilaraji	(2,802.30)					(2,802.30)
Musonda Chishimba	(779.00)					(779.00)
Mwila Musonda Aka SlapD	(6,048.76)					(6,048.76)
Nancy Mulenga Aka Nancy	(837.00)					(837.00)
Pulse Media Zambia Limited	(26,088.85)					(26,088.85)
Richard Sean Mulenga T Sean Mr Baila	(2,037.00)					(2,037.00)
Rodney M Mwillia Aka Bershah	(665.00)					(665.00)
Content Payout Payable_2	1,977,158.35					1,977,158.35
Content Payouts Payable	(1,786,806.25)					(1,786,806.25)
Ziki Holdings Pvt Ltd	(775,591.30)					(775,591.30)
Expenses payable	(379,644.00)					(379,644.00)
Other Creditors						-
Alturas Digital Solutions	8,320.00					8,320.00
Baker Tilly Meral's	7,500.00					7,500.00
Statutory Dues Payable						-
NAPSA Payable	(1,974.60)					(1,974.60)
PAYE Payable	(5,522.25)					(5,522.25)
Value Added Tax	(95,650.88)					(95,650.88)
Withholding Tax Payable	(226,066.38)					(226,066.38)
Fixed Assets						
Acc. Dep on I T Equipment	(41,222.87)					(41,222.87)
Acc. Dep on I T on Site	(3,044,420.52)					(3,044,420.52)
Acc. Dep on Motor Vehicle	(72,000.00)					(72,000.00)
Acc. Dep on Office Equipment	(870.00)					(870.00)
Capital Work in Progress						-
I T Equipment	43,402.18					43,402.18
I T on Site	3,044,420.52					3,044,420.52
Motor Vehicle	72,000.00					72,000.00
Office Equipment	870.00					870.00
Current Assets						
Loans & Advances (Asset)						-
Imprest A/c. Abhinandan	-					-
Salary advance	22,000.00					22,000.00
Imprest Danny	-					-
Imprest Joseph	34,544.26					34,544.26
Sundry Debtors						-
Celtel Zambia Ltd	75,237.80					75,237.80
MTN Zambia Ltd	215,081.52					215,081.52
Provision for Doubtful Debts	(539,941.22)					(539,941.22)
Unbilled Debtors	316,191.14					316,191.14
Zamtel Lusaka Zambia	1,982,895.68					1,982,895.68
Bank Accounts						-
Stanbic Bank Zambia (Call A/C)	1,069,319.68					1,069,319.68
Stanbic Bank Zambia Ltd. (S A/c.)	36,578.44					36,578.44
Stanbic Bank Zambia Ltd. (ZMW A/c.)	-					-
Balance with Statutory Authorities						-
Input VAT	-					-
Provision on VAT Receivable	(539,248.13)					(539,248.13)
VAT Receivable	539,248.13					539,248.13
WHT Receivable	9,280.44					9,280.44
Prepayments	-					-
Branch / Divisions						
Spice VAS Africa Pte Ltd	712,962.95					712,962.95
Spice VAS Africa Pte Ltd-Mngt Fees	-					-
Spice VAS Tanzania Limited	-					-
Sales Accounts						
Beatz Revenue	(550.05)					(550.05)
Buddy Call Revenue	-					-
Content Monetization Revenue	(1,144,385.26)					(1,144,385.26)
Devotional Portal Revenue	(17,715.73)					(17,715.73)
Games revenue	(241,179.56)					(241,179.56)
Infopedia Services	-					-
Learn French	-					-
MOD Revenue	(116,012.10)					(116,012.10)

MTN revenue	-	-
OBD Revenue	30,238.09	30,238.09
Zamtel CRBT	(1,881,142.84)	(1,881,142.84)
Direct Expenses		
Content Expenses	17,320.00	17,320.00
Content Payouts	712,199.00	712,199.00
Content Payout_2	575,611.00	575,611.00
Prompt Recording Charges	-	-
Short Code Fee	-	-
Indirect Incomes		
Interest Income	(25,776.49)	(25,776.49)
Indirect Expenses		
Employee Cost	-	-
CEO Rewards	-	-
Director Remuneration	41,795.00	41,795.00
Employers Contribution to PF	11,359.26	11,359.26
Leave Encashment	(38.00)	(38.00)
Notice	-	-
Performance Linked Incentives	34,715.00	34,715.00
Rewards	-	-
Salary	226,906.00	226,906.00
Other Admin Expenses	-	-
Rentals	-	-
Rent	-	-
Travelling Expenses	-	-
Accommodation Charges-Content	-	-
Daily Allowance	-	-
Daily Allowance-Content	-	-
Travelling - Local	30,510.00	30,510.00
Travelling Local-Content	-	-
Visa Fee/Work Permit Fee	-	-
Accountancy Charges	35,000.00	35,000.00
Audit Fees	80,000.00	80,000.00
Bank Charges	17,526.95	17,526.95
Communication	7,760.00	7,760.00
Communication-Content	-	-
Consultancy Expenses	-	-
Consultancy Expenses_Content	-	-
Doubtful Debts	111,574.56	111,574.56
Foreign Exchange Gain (Loss)	(78,396.69)	(78,396.69)
Insurance	-	-
Legal & Professional Fees	8,000.00	8,000.00
Postage & courier	1,215.00	1,215.00
Printing & Stationery	1,938.00	1,938.00
Printing & Stationery-Content	-	-
Repairs and maintenance	16,531.00	16,531.00
Office expenses	200.00	200.00
Short & Excess Write-Off	2,582.00	2,582.00
Misc write-off	15,208.00	15,208.00
Selling Expenses	-	-
Business Meeting Lunch/Dinner Expense	3,064.00	3,064.00
Business Promotion	37,000.00	37,000.00
Business Promotion-Content	-	-
Computer Consumable	-	-
Corporate Taxes	165,996.00	204,926.00
Depreciation	7,200.00	7,200.00
	38,930.00	