# DIGISPICE ZAMBIA LIMITED (FORMERLY KNOWN AS SPICE VAS ZAMBIA LIMITED)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2020

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**COMPANY INFORMATION**

| | |
|---|---|
| **BOARD OF DIRECTORS** | : Mr. Arun Nagar - Indian<br>Mr. Martin Mulenga Ng'andu- Zambian<br>: Mr. Namish Sharma - Indian (resigned- 25 June 2019) |
| **REGISTERED OFFICE** | : 2nd Floor<br>Chanik House<br>Off cairo Road<br>Lusaka |
| **PRINCIPAL PLACE OF BUSINESS** | : Airtel House<br>Addis Ababa Road<br>Long Acres<br>Lusaka |
| **INDEPENDENT AUDITOR** | : LML Chartered Accountants<br>Suite 2 Buungano Suites<br>Longacres<br>Lusaka |
| **COMPANY SECRETARY** | : LML Chartered Accountants<br>Suite 2 Buungano Suites<br>Longacres<br>Lusaka |
| **PRINCIPAL BANKERS** | : Stanbic Bank Zambia Limited<br>Stanbic Mulungushi Branch<br>P.O.Box 72647<br>Lusaka<br>Zambia |
| **PARENT COMPANY** | : Spice VAS (Africa) Pte. Ltd.<br>152 UBI Avenue 4<br>Singapore 408826 |
| **ULTIMATE HOLDING COMPANY** | : Smart Global Corporate Holding Private Limited<br>A-10, Street No. 2,<br>North Chhajupur, Shahdara,<br>New Delhi - 110093 |

**REPORT OF THE DIRECTORS**

The directors submit their report and the audited financial statements for the year ended 31 March 2020, 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**

We are passionate about transforming the lives of billions globally, one innovation at a time.

**COMPANY'S MISSION**

Our aim is to empower enterprises and consumers across the globe by accelerating the impact of digital technologies

**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 | Date of appointment |
|---|---|---|---|---|
| Mr. Arun Nagar | 56 | Director | Indian | 01 September 2011 |
| Mr. Martin Mulenga Ng'andu | 48 | Director | Zambian | 01 April 2018 |
| Mr. Namish Sharma | 30 | Director | Indian | resigned 25 June 2019 |

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

| RESULTS | 2020<br>ZMW | 2019<br>ZMW |
|---|---|---|
| Profit before tax | 213,463 | (312,188) |
| Tax charge | (105,603) | (34,306) |
| Loss for the year | **107,860** | **(346,494)** |

**CORPORATE GOVERNANCE**

The board of DigiSpice Zambia Limited (Formerly known as Spice VAS Zambia Limited) consists 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 31 March, 2020 are as follows:

| Name of shareholders | % shareholding | 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 |
| | 100% | 1 |

**REPORT OF THE DIRECTORS (CONTINUED)**

**FUTURE DEVELOPMENT PLANS**

There are no immediate future development palns

**DIVIDEND**

The directors do not recommend the declaration of a dividend for the year (2019: 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 2020 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 known as Spice VAS Zambia Limited) has adequate resources to continue in operational existence for the foreseeable future.

**STOCK EXCHANGE INFORMATION**

DigiSpice Zambia Limited (Formerly known as 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 2020. 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 (2019: 3 employees, 1 female and 2 male).

**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**

BakerTilly Meralis 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 2020 will be tabled in the Annual General Meeting.

**BY ORDER OF THE BOARD**

**Mr. Arun Nagar**
**Director**

**Mr. Mulenga Ng'andu**
**Director**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required in terms of the Section 164 (6) of the Companies Act of 1994 (as amended) 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 1994. 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 1994 (as amended), 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 2021 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 ……., 2020 and were signed on its behalf by:

| | |
|---|---|
| **Mr. Arun Nagar** | **Mr. Mulenga Ng'andu** |
| **Director** | **Director** |

**STATEMENT OF COMPREHENSIVE INCOME**

| | Notes | 2020<br>ZMW | 2019<br>ZMW |
|---|---|---|---|
| Revenue | 2. | 4,032,567 | 5,815,677 |
| Cost of sales | | (1,734,542) | (1,712,034) |
| **Gross profit** | | **2,298,025** | **4,103,643** |
| Administrative expenses | 3. | (375,984) | (986,514) |
| Other operating expenses | 3. | (1,273,118) | (3,103,663) |
| Selling and distribution expenses | 3. | 37,428 | (127,869) |
| **Operating profit** | | **686,350** | **(114,403)** |
| Finance costs | 4. | (472,887) | (197,785) |
| **Profit before tax** | | **213,463** | **(312,188)** |
| Tax charge | 5. | (105,603) | (34,306) |
| **Profit for the year** | | **107,860** | **(346,494)** |
| **Total comprehensive profit for the year** | | **107,860** | **(346,494)** |

*The significant accounting policies on pages 12 to 19 and the notes on pages 20 to 27 form an integral part of these financial statements.*

Report of the independent auditor - pages 6 to 7.

**STATEMENT OF FINANCIAL POSITION**

| | Notes | As at 31 March 2020 ZMW | As at 31 March 2019 ZMW |
|---|---|---|---|
| **Assets** | | | |
| **Non current assets** | | | |
| Equipment | 7. | 18,979 | 30,427 |
| | | 18,979 | 30,427 |
| **Current assets** | | | |
| Trade and other receivables | 8. | 3,088,598 | 2,158,082 |
| Amounts due from related companies | 12(i)(iii) | - | 1,258,374 |
| Cash and cash equivalents | 9. | 79,515 | 1,091,218 |
| | | **3,168,113** | **4,507,674** |
| **Total assets** | | **3,187,092** | **4,538,101** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Share capital | 6. | 5,000 | 5,000 |
| Retained earnings | | 1,071,771 | 963,911 |
| **Shareholders' funds** | | **1,076,771** | **968,911** |
| **Current liabilities** | | | |
| Trade and other payables | 10. | 1,426,060 | 1,712,444 |
| Amounts due to related companies | 12. | 425,823 | 1,681,736 |
| Employee obligations | | 26,443 | 48,618 |
| Current tax | 5. | 231,995 | 126,392 |
| | | **2,110,321** | **3,569,190** |
| **Total equity and liabilities** | | **3,187,092** | **4,538,101** |

The financial statements on pages 8 to 28 were authorized and approved for issue by the Board of Directors on……… 2020 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 27 form an integral part of thes 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 2019** | | | |
| At start of year | 5,000 | 1,310,405 | 1,315,405 |
| Total comprehensive profit for the year | - | (346,494) | (346,494) |
| **At end of year** | **5,000** | **963,911** | **968,911** |
| | | | |
| **Year ended 31 March 2020** | | | |
| At start of year | 5,000 | 963,911 | 968,911 |
| Total comprehensive profit for the year | - | 107,860 | 107,860 |
| **At end of year** | **5,000** | **1,071,771** | **1,076,771** |

*The significant accounting policies on pages 12 to 19 and the notes on pages 20 to 27 form an integral part of these financial statements.*

Report of the independent auditor - pages 6 to 7.

**STATEMENT OF CASH FLOWS**

| | Notes | 2020<br>ZMW | 2019<br>ZMW |
|---|---|---|---|
| **Operating activities** | | | |
| Net cash generated from operations | 11. | (1,004,503) | 605,166 |
| Tax paid | 5. | - | (862,627) |
| Net cash generated from/(used in) operating activities | | **(1,004,503)** | **(257,462)** |
| **Investing activities** | | | |
| Purchase of equipment | 7. | (7,200) | - |
| **Net cash used in investing activities** | | **(7,200)** | **-** |
| Increase/(decrease) in cash and cash equivalents | | **(1,011,703)** | **(257,462)** |
| **Movement in cash and cash equivalents** | | | |
| At start of year | | 1,091,218 | 1,348,680 |
| Increase/(decrease) | | (1,011,703) | (257,462) |
| At end of year | | **79,515** | **1,091,218** |

*The significant accounting policies on pages 12 to 19 and the notes on pages 20 to 27 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 forseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Zambian Companies Act 1994 (as amended). 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.

**Standards issued but not yet effective**

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects 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.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b) Key sources of estimation uncertainty (continued)**

**(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.

**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 completetion 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 eranings and employers contribute 5% of their employess 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 2020, the company has reported a net current asset amounting to **ZMW 1,057,108** (2019: 938,484) and profit before tax **ZMW 203,463** (2019: loss: ZMW 312,188). The shareholders' fund amounts to **ZMW 1,076,087** (2019:968,911).

The parent company and majority shareholder, Spice VAS Africa Pte. Ltd, has confirmed that it is committed to the Zambian market and will ensure the company is adequately funded to meet its working capital requirements. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis, which assumes that the company will be in operational existence for the foreseeable future.

| | **2020 ZMW** | **2019 ZMW** |
|---|---|---|
| **2. Revenue** | | |
| *Buddy Call Revenue* | 8,559 | 26,395 |
| *Content Monetization Revenue* | 2,216,496 | 3,888,641 |
| *Devotional Portal Revenue* | 9,258 | 10,494 |
| *Infopedia Services* | 13,659 | 34,347 |
| *Learn French* | 1,415 | 3,608 |
| *MOD Revenue* | 384,667 | 641,688 |
| *Music Scrorer* | 8 | 2,573 |
| *OBD Revenue* | 89,493 | 90,001 |
| *Zamtel CRBT* | 1,309,013 | 1,117,930 |
| | **4,032,567** | **5,815,677** |

**3. Operating profit**

The following items have been charged in arriving at the operating profit:

| | 2020 ZMW | 2019 ZMW |
|---|---|---|
| Administrative expenses | 375,984 | 986,514 |
| Other operating expenses | 1,273,118 | 3,103,663 |
| Selling and distribution expenses | (37,428) | 127,869 |

**4. Finance costs**

| | 2020 ZMW | 2019 ZMW |
|---|---|---|
| Bank charges | 26,046 | 19,186 |
| Interest | (7,189) | (6,575) |
| Net foreign exchange loss/(gain) | 454,030 | 185,174 |
| | **472,887** | 197,785 |

**5. Tax**

| | 2020 ZMW | 2019 ZMW |
|---|---|---|
| Current tax | 105,603 | 34,306 |
| | **105,603** | 34,306 |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

| | 2020 ZMW | 2019 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 | 213,463 | (312,188) |
| Tax calculated at a rate of 38% (2019: 38%) | 81,116 | (118,632) |
| Tax effect of: | | |
| - prior year tax assessment provision | - | (92,087) |
| - expenses disallowable for tax purposes | | - |
| Depreciation | 6,402 | 34,419 |
| Provision for bad debt | 18,085 | 210,605 |
| - penalties | - | - |
| | 105,603 | 34,305 |

**Tax movement - payable**

| | 2020 ZMW | 2019 ZMW |
|---|---|---|
| At start of year | 126,392 | 954,712 |
| Charge for the year | 105,603 | 126,393 |
| Prior year tax assessment provision | - | (92,086) |
| Withholding tax suffered | - | - |
| Tax paid | - | (862,627) |
| | **231,995** | **126,392** |

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.

| | 2020 | 2019 |
|---|---|---|
| **6. Share capital** | **ZMW** | **ZMW** |
| 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 2020** | | | | | |
| **Cost** | | | | | |
| At start of year | 72,000 | 870 | 36,202 | 3,044,421 | 3,153,493 |
| Additions | - | - | 7,200 | - | 7,200 |
| | **72,000** | **870** | **43,402** | **3,044,421** | **3,160,693** |
| **Depreciation** | | | | | |
| At start of year | 52,800 | 870 | 36,202 | 3,033,194 | 3,123,066 |
| Charge for the year | 7,200 | - | 221 | 11,227 | 18,648 |
| | | | | | - |
| At end of year | **60,000** | **870** | **36,423** | **3,044,421** | **3,141,714** |
| **Net book value** | **12,000** | **-** | **6,979** | **-** | **18,979** |

The cost of fully depreciated equipment is as follows:

| | 2020 ZMW | 2019 ZMW |
|---|---|---|
| Office equipment | 870 | 450 |
| IT equipment | 36,202 | 36,202 |
| IT on Site | 3,044,421 | 2,972,161 |
| | **3,081,493** | **3,008,813** |

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 2019** | | | | | |
| **Cost** | | | | | |
| At start and end of year | 72,000 | 870 | 36,202 | 3,044,421 | 3,153,493 |
| **Depreciation** | | | | | |
| At start of year | 43,492 | 798 | 31,582 | 2,951,443 | 3,027,315 |
| Charge for the year | 9,308 | 72 | 4,620 | 81,751 | 95,751 |
| At end of year | 52,800 | 870 | 36,202 | 3,033,194 | 3,123,066 |
| **Net book value** | **19,200** | **-** | **-** | **11,227** | **30,427** |

| The cost of fully depreciated equipment is as follows: | **2019** | **2,018** |
|---|---|---|
| Office equipment | 870 | 450 |
| IT equipment | 36,202 | 10,500 |
| IT on Site | 2,972,161 | 1,279,328 |
| | **3,009,233** | **1,290,278** |

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

| | | 2020 | 2019 |
|---|---|---|---|
| **8.** | **Trade and other receivables** | **ZMW** | **ZMW** |
| | Trade receivables | 2,424,842 | 1,346,363 |
| | Less: provision for impairment {Note 9(a)} | (145,959) | (98,366) |
| | Net trade receivables | 2,278,883 | 1,247,997 |
| | Unbilled debtors | 794,984 | 804,410 |
| | Staff imprest | - | 58,692 |
| | Other receivables | 14,730 | 46,983 |
| | VAT receivable | - | - |
| | **Trade and other receivables** | **3,088,598** | **2,158,082** |
| **8(a)** | **Movement in provision for impairment** | | |
| | At start of year | 637,614 | 83,390 |
| | Increase/(decrease) | 47,593 | 554,224 |
| | **At end of year (Note 9)** | **685,207** | **637,614** |

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.

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

| | | |
|---|---|---|
| Zambian Kwacha | 2,293,614 | 1,353,672 |
| US Dollars | - | - |
| | **2,293,614** | **1,353,672** |

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.

Trade receivables that are aged past 30 days are considered to be past due.

Individually impaired receivables mainly relate to customers, who are in unexpectedly difficult economic situations. These have been fully provided for as stated above.

The ageing analysis of these trade receivables is as follows:

| | | |
|---|---|---|
| 30 to 180 days | 2,588,357 | 1,936,280 |
| Over 180 to 360 days | 437,199 | 153,238 |
| Over 360 days | 63,042 | 68,564 |
| | **3,088,598** | **2,158,082** |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

| **9. Cash and cash equivalents** | **2020 ZMW** | **2019 ZMW** |
|---|---|---|
| Cash at bank | 79,515 | 1,091,218 |
| Cash in hand | - | - |
| **Total** | **79,515** | **1,091,218** |

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 | 79,359 | 1,091,112 |
| US Dollars | 156 | 106 |
| | **79,515** | **1,091,218** |

**10. Trade and other payables**

| | | |
|---|---|---|
| Trade Payables | 751,020 | 826,508 |
| Statutory Payables | 35,536 | 140,954 |
| PLI Payable | 26,726 | 84,689 |
| Accruals | 605,038 | 660,293 |
| Other Payables | 7,739 | - |
| | **1,426,060** | **1,712,444** |

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:

| | **2020 ZMW** | **2019 ZMW** |
|---|---|---|
| Zambian Kwacha | 1,426,060 | 1,712,444 |
| US Dollars | - | - |
| | **1,426,060** | **1,712,444** |

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

| | **1 to 3 months ZMW** | **4 to 12 months ZMW** | **Total 2020 ZMW** |
|---|---|---|---|
| Trade payables | 751,020 | - | 751,020 |
| Statutory payables | 35,536 | - | 35,536 |
| PLI Payable | 26,726 | - | 26,726 |
| Accruals | 605,038 | - | 605,038 |
| Other Payables | 7,739 | - | 7,739 |
| | **1,426,060** | **-** | **1,426,060** |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

| **11. Cash generated from operations** | **2020 ZMW** | **2019 ZMW** |
|---|---|---|
| Reconciliation of profit before tax to cash generated from operations: | | |
| Profit before tax | 213,463 | (312,188) |
| **Adjustments for:** | | |
| Depreciation on equipment (Note 7) | 18,648 | 95,751 |
| Changes in working capital: | | |
| - Trade and other receivable | (930,516) | 419,679 |
| - Trade and other payables | (308,560) | (253,721) |
| - Related party balances | 2,461 | 655,645 |
| **Cash generated from operations** | **(1,004,503)** | **605,166** |

**12. Related party transactions and balances**

The following balances arose out of transactions carried out with related parties:

| **(i) Amounts due from related parties** | **2020 ZMW** | **2019 ZMW** |
|---|---|---|
| Spice VAS (Africa) Pte Ltd. | - | 262,792 |
| | **-** | **262,792** |
| **(ii) Amounts due to related parties** | | |
| DigiSpice Tanzania Ltd. (Formerly Known as)Spice VAS Tanzania Ltd. | 35,549 | 24,265 |
| SVA Mauritius PVt. Limited | - | 1,657,471 |
| | **35,549** | **1,681,736** |
| **(iii) Amounts due (to)/from related parties against Management fees/Technical Support fees** | | |
| Spice VAS (Africa) Pte Ltd. | **390,274** | **995,581** |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Related party transactions and balances (continued)**

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

| | Spice VAS Africa Pte Ltd-Mgt fees | Spice VAS (Africa) Pte Ltd. | DigiSpice Tanzania Ltd. (Formerly Known as) Spice VAS Tanzania Ltd. | SVA Mauritius Pvt. Limited | Total |
|---|---|---|---|---|---|
| | ZMW | ZMW | ZMW | ZMW | ZMW |
| **At the start of the year** | 995,881 | 262,793 | (24,265) | (1,657,471) | **(423,062)** |
| Transaction during the year | (995,881) | (653,067) | (11,284) | 2,297,318 | **637,086** |
| Technical Support Charges | - | - | - | (639,847) | **(639,847)** |
| **At the end of the year** | **-** | **(390,274)** | **(35,549)** | **-** | **(425,823)** |

**14. 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 by the board of directors.

**(i) Market risk**

***- 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 including outstanding receivables.

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)**

**15. 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.

**16. Incorporation**

DigiSpice Zambia Limited (Formerly known as 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

**17. Presentation currency**

These financial statements are presented in Zambian Kwacha.

**SCHEDULE OF EXPENDITURE**

| | 2020<br>ZMW | 2019<br>ZMW |
|---|---|---|
| **1. Cost of sales** | | |
| Content Expenses | 3,578 | 166,092 |
| Content Payouts | 1,711,870 | 1,538,528 |
| Prompt Recording charges | 1,094 | 1,414 |
| Short code Fee | 18,000 | 6,000 |
| **Total cost of sales** | **1,734,542** | **1,712,034** |
| **2. Administrative expenses** | | |
| Staff costs | 422,854 | 896,919 |
| Pension contributions | 21,236 | 29,595 |
| Directors' remuneration | (68,106) | 60,000 |
| **Total administrative expenses** | **375,984** | **986,514** |
| **3. Other operating expenses** | | |
| Accountancy Charges | 48,000 | 60,000 |
| Clearing charges | - | 3,666 |
| Communication | 19,728 | 27,886 |
| Consultancy_CMS | 40,025 | 84,966 |
| Depreciation | 18,646 | 95,752 |
| Doubtful Debts | 47,593 | 554,224 |
| Insurance | 3,374 | 11,028 |
| Interest & Penalty | 4,758 | 993 |
| Legal & Professional Fees | 252,502 | 442,233 |
| Liabilities written off | - | (103,589) |
| Misc Balances Written Off | - | (1,931) |
| Office expenses | 2,300 | 3,600 |
| Printing & Stationery | 4,113 | 2,150 |
| Rent | 25,030 | 66,231 |
| Repair & Maintenance | 14,925 | 4,100 |
| Recruitment charges | 14,994 | - |
| Short & Excess Write-Off | (678) | 1,093 |
| Staff Welfare Expenses | 1,459 | 10,400 |
| Technical Support Charges | 639,847 | 1,744,702 |
| Travelling - Local | 72,612 | 62,691 |
| Travelling Expenses | 53,429 | 4,235 |
| Visa Fee/Work Permit Fee | 45 | 733 |
| Work Permit Fee | 10,417 | 28,500 |
| **Total other operating expenses** | **1,273,118** | **3,103,663** |

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

**SCHEDULE OF EXPENDITURE (CONTINUED)**

| | 2020 ZMW | 2019 ZMW |
|---|---|---|
| **4. Selling and distribution expenses** | | |
| Business meetings | 1,500 | 6,740 |
| Business promotions | (38,928) | 121,129 |
| **Total selling and distribution expenses** | **(37,428)** | 127,869 |
| **5. Finance (income)/costs** | | |
| Bank charges | 26,046 | 19,186 |
| Interest income | (7,189) | (6,575) |
| Net foreign exchange (gain)/loss | 454,030 | 185,174 |
| **Total finance costs** | **472,887** | 197,785 |

***The above schedule does not form an integral part of these financial statementsand is not audited***