ECU WORLDWIDE (MAURITIUS) LTD

Financial statements

31 December 2022

ECU WORLDWIDE (MAURITIUS) LTD

Financial statements
For the year ended 31 December 2022

Contents

ECU WORLDWIDE (MAURITIUS) LTD

Corporate data

		Date of appointment
Directors:	Hawanty Teeluck	30 March 2015
	Mohamed Nazir Saleem Mohamedhusein	13 July 2012
Company secretary:	HLB Corporate Services (Mauritius) Ltd 29bis, Mère Barthélemy Street 2nd Floor, Appavoo Business Centre Port Louis Republic of Mauritius	
Registered office:	MFD Business Centre Freeport Zone 7 Mer Rouge Port Louis Republic of Mauritius	
Auditor:	NJC ASSOCIATES 5th Floor, Orbis Court St Jean Road Quatre Bornes Republic of Mauritius	
Bankers:	Bank of Baroda Sir William Newton Street Port Louis Republic of Mauritius. HSBC HSBC Centre 18, Cybercity Ebene Republic of Mauritius	

ECU WORLDWIDE (MAURITIUS) LTD

Directors' report

The directors are pleased to present the audited financial statements of ECU WORLDWIDE (MAURITIUS) LTD (the "Company") for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is to move cargo through sea freight, air freight and local transport.

Results and dividend

The results for the year are shown on page 8.

A dividend of Rs 1,500,000 has been declared and paid for the financial year ended 31 December 2022 (2021: Nil).

Directors

The following officers held office as directors of the Company as at 31 December 2021:

- Mr. Saleem Mohamed Nazir Mohamedhusein
- Mrs. Hawanty Teeluck

Statement of Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company and the Company.

The directors are responsible for the preparation of financial statements which comply with the Mauritius Companies Act 2001. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue to operate.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Mauritius Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and there is no reason to believe that the business will not be a going concern in the foreseeable future.

ECU WORLDWIDE (MAURITIUS) LTD

Directors' report (continued)

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

Auditors

The auditors, NJC ASSOCIATES, have indicated their willingness to continue in office and will be automatically re-appointed at the next annual meeting.

By order of the Board

………………..
Director Date: 22 JUNE 2023

ECU WORLDWIDE (MAURITIUS) LTD

Secretary's Certificate
for the year ended 31 December 2022

To the Members of ECU WORLDWIDE (MAURITIUS) LTD

In accordance with section 166 (d) of the Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001.

HLB Corporate Services (Mauritius) Ltd
Company Secretary

Date: 22 JUNE 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ECU WORLDWIDE (MAURITIUS) LTD

Report on the Audit of the Financial Statements

We have audited the financial statements of **ECU WORLDWIDE (MAURITIUS) LTD** (the "Company") on pages 8 to 51 which comprise the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2022 and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements on pages 8 to 51 give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of its operations and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report and certificate from the secretary. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the 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.

Directors Responsibility for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ECU WORLDWIDE (MAURITIUS) LTD (CONTINUED)

Report on the Audit of the Financial Statements (continued)

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the 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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ECU WORLDWIDE (MAURITIUS) LTD (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Other Matter

This report is made solely to the Company's member in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and tax advisors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

NJC ASSOCIATES
Chartered Accountants
Quatre Bornes
Mauritius

Neeshal Jingree FCCA ACA
Licensed by FRC

Date:

ECU WORLDWIDE (MAURITIUS) LTD

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2022

	Note	**2022 Rs**	2021 Rs
Revenue	6	**81,252,901**	71,807,240
Cost of sales		**(72,204,806)**	(64,973,853)
Gross profit		**9,048,095**	6,833,387
Other income		**-**	165,226
Administrative expenses		**(6,660,222)**	(6,123,273)
Profit from operations		**2,387,873**	875,340
Net finance income/(costs)	8	**66,083**	(264,253)
Profit before taxation		**2,453,956**	611,087
Taxation	9	**(427,835)**	(104,859)
Profit for the year		**2,026,121**	506,228
Other comprehensive income		**-**	-
Total comprehensive income for the year		**2,026,121**	506,228

The notes on pages 12 to 51 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of financial position
As at 31 December 2022

	Note	2022	2021
		Rs	Rs
ASSETS			
Non-current assets			
Plant and equipment	10	**373,971**	593,307
Net deferred tax assets	11	**50,728**	41,011
Total non-current assets		**424,699**	634,318
Current assets			
Trade and other receivables	12	**4,695,222**	9,201,416
Cash and cash equivalents	13	**13,862,945**	12,125,099
Total current assets		**18,558,167**	21,326,515
Total assets		**18,982,866**	21,960,833
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**675,000**	675,000
Retained earnings		**3,465,650**	2,939,529
Total equity		**4,140,650**	3,614,529
Non-current liabilities			
Retirement benefit obligations	16	**329,756**	344,982
Current liabilities			
Trade and other payables	17	**14,074,909**	17,798,779
Income tax payable	9	**437,551**	202,543
Total current liabilities		**14,512,460**	18,001,322
Total liabilities		**14,842,216**	18,346,304
Total equity and liabilities		**18,982,866**	21,960,833

Approved by the Board on 22 JUNE 2023

....	……………………..
Mrs. Hawanty TEELUCK	Mr. Saleem Mohamed Nazir MOHAMEDHUSEIN
Director	*Director*

The notes on pages 12 to 51 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of changes in equity
for the year ended 31 December 2022

	Share capital	Retained earnings	Total
	Rs	Rs	Rs
At 01 January 2021	675,000	2,433,301	3,108,301
Total comprehensive income for the year			
Profit for the year	-	506,228	506,228
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	506,228	506,228
Balance at 1 January 2022	675,000	2,939,529	3,614,529
Total comprehensive income for the year			
Profit for the year	**-**	**2,026,121**	**2,026,121**
Other comprehensive income	**-**	**-**	**-**
Dividend paid for the year		**(1,500,000)**	**(1,500,000)**
Total comprehensive income for the year	**-**	**526,121**	**526,121**
Balance at 31 December 2022	**675,000**	**3,465,650**	**4,140,650**

The notes on pages 12 to 51 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of cash flows
for the year ended 31 December 2022

	2022	2021
	Rs	Rs
Cash flows from operating activities		
Profit before taxation	**2,453,956**	611,087
Adjustments for:		
Depreciation	**273,036**	260,355
Write offs	**-**	(136,140)
Provision for bad debts	**103,234**	-
Bad debts recovered	**-**	(165,226)
Movement in retirement benefit obligations	**(15,226)**	159,317
	2,815,000	729,393
Change in trade and other receivables	**4,402,959**	(7,182,552)
Change in trade and other payables	**(3,723,870)**	15,634,764
Cash used from operations	**3,494,089**	9,181,605
Income tax paid	**(202,543)**	(169,220)
Net cash from operating activities	**3,291,546**	9,012,385
Cash flows from investing activities		
Acquisition of plant and equipment	**(53,700)**	(54,000)
Net cash used in investing activities	**(53,700)**	(54,000)
Cash flows from financing activities		
Dividend paid	**(1,500,000)**	-
Net cash used in financing activities	**(1,500,000)**	-
Net change in cash and cash equivalents	**1,737,846**	8,958,385
Cash and cash equivalents at 1 January	**12,125,099**	3,166,714
Cash and cash equivalents at 31 December (note 13)	**13,862,945**	12,125,099

The notes on pages 12 to 51 form part of these financial statements.

1. **General information**

The Company is a private limited company, incorporated and domiciled in Mauritius. The address of the registered office is MFD Business Centre, Freeport Zone 7, Mer Rouge, Port Louis. The main activity of the Company is to move cargo through sea freight, air freight and local transport.

2. **Basis of preparation**

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except that financial assets and financial liabilities are fair valued.

(c) Functional and presentation currency

The financial statements are presented in Mauritian Rupees (Rs) which is the Company's functional and presentation currency.

(d) Use of estimates and judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 9 – Income tax expense
- Note 10 – Plant and equipment
- Note 16 – Retirement benefit obligations

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there on are dependent on the functional currency selected. As described in 2(c), the directors have considered those factors therein and have determined that the functional currency of the company is Mauritian Rupees (Rs).

2. **Basis of preparation (continued)**

(d) Use of estimates and judgements (continued)

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Calculation of loss allowance

When measuring expected credit losses, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Useful lives and residual values of property, plant and equipment

The useful lives and residual values of property, plant and equipment are based on management's judgment of the historical pattern of useful lives and the general standards in the industry. As described in Note 3, the useful lives and residual values are reviewed for reasonableness by management on an annual basis.

3. **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

(a) Revenue

Revenue from the sale of services in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, value-added tax, trade discounts and volume rebates.

The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer and the consideration agreed is expected to be received. Control is generally deemed to be transferred upon delivery of the components in accordance with the agreed delivery plan.

- *Container Shipping*

Freight revenues and costs directly attributable to the transport of containers are recognized as of the ETA/ETD (Expected Time of Arrival/Expected Time of Departure) of the vessel.

- *Other activities*

For other activities, revenue is recognized when the services have been rendered or when the goods have been delivered.

(b) Finance income and finance expense

Finance income comprises gains on foreign exchange. Interest income is recognised as it accrues in the statement of comprehensive income, using the effective interest method.

Finance costs comprise interest expense and losses on foreign exchange and are recognised in the statement of comprehensive income.

Foreign currency gains and losses are reported on a net basis.

3. **Significant accounting policies**

(c) Income tax expense

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(d) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in statement of profit or loss.

(e) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss0 are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. **Significant accounting policies (Continued)**

(e) Financial instruments (continued)

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

3. **Significant accounting policies (Continued)**

(e) Financial instruments (continued)

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade receivables (not subject to provisional pricing), other receivables and receivables from joint arrangements. Refer below to 'Financial assets at fair value through profit or loss' for a discussion of trade receivables (subject to provisional pricing).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate (EIR). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. **Significant accounting policies (continued)**

(e) Financial instruments (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

3. **Significant accounting policies (continued)**

(e) Financial instruments (continued)

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.
This category generally applies to interest-bearing loans and borrowings and trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

3. **Significant accounting policies (Continued)**

(f) Plant and equipment (continued)

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in statement of profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit or loss as incurred.

Gains and losses on disposal of plant and equipment are determined by reference to their written down value and are included in determining operating profit.

(iii) Depreciation

Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Furniture and fittings	-	10 years
Motor vehicles	-	5 years
Office equipment	-	4 -5 years
Computer and electronic equipment	-	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

3. **Significant accounting policies (Continued)**

(g) Retirement benefits obligations

Defined benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as wage, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculate annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Company determines the net interest expense/(income) on the net defined liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/9asset), taking into account any changes in the net defined lability/(asset) during the period as a result of contributions and benefits payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

State plan

Contributions to the CSG (Contribution Sociale Generalisée) scheme are expensed to the statement of comprehensive income in the period in which they fall due.

Severance allowance on retirement

The net present value of severance allowances payable under the Labour Act is computed and provided for up to 31 December 2019. The obligations arising under this item are not funded.

Portable Retirement Gratuity Fund ("PRGF")

In line with the Workers' Rights Act 2019, the Organisation is required to make monthly contributions to the Portable Retirement Gratuity Fund ("PRGF") for all employees in employment effective as from 01 January 2020. Provisions for the period January 2020 – December 2021 have been made in these financial statements. As from 01 January 2021 the Company has opted for a defined benefit pension plan for its employees

3. **Significant accounting policies (Continued)**

(g) Retirement benefits obligations (continued)

Sources of estimation uncertainty

The cost of defined benefit pension plans and related provisions requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimates in respect of inter alia, discount rate, expected returns on plan assets, future salary increases, mortality rate and future pension increases. Due to long term nature of these plans, such estimates are subject to significant uncertainty. Any changes in the assumptions regarding the estimates will impact the carrying amount of the pension obligation. The net employee liability/(asset) of the Company as at 31 December 2022 was **Rs 329,756** (2021: Rs 344,982).

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Cash and cash equivalents also include bank overdrafts which are shown in current liabilities on the statement of financial position.

(j) Share capital

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(k) Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly to control the company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control or common significant influence. Related parties may be individuals or other entities.

3. **Significant accounting policies (Continued)**

(l) Leases

Operating leases

Leases in which a significant portion of the risks and the rewards are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

(m) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely dependent of the cash inflows of other assets or group of assets (the "cash generating unit"). The goodwill acquired in a business combination, for purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(n) *Dividend distributions*

Dividend distributions to the Company's shareholders are recognized in the Company's financial statements in the year in which the dividends are declared.

3. **Significant accounting policies (continued)**

(o) *New standards and amendments to IFRSs that are mandatorily effective for the current year*

The following new and revised IFRSs have been adopted in these financial statements. The nature and effect of the application of these new and revised IFRSs and the International Financial Reporting Interpretations Committee ("IFRIC") has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Standard	**Summary of requirements**
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. This standard is applicable to the Company and has been applied where relavant
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This standard is not applicable to the Company
Amendments to IFRS 3 Business Combinations— Reference to the Conceptual Framework	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. This standard is not applicable to the Company

3. **Significant accounting policies (continued)**

(o) New standards and amendments to IFRSs that are mandatorily effective for the current year (continued)

Annual Improvements to IFRS Standards 2018-2020— Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). This standard is not applicable to the Company

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted. This standard is not applicable to the Company

IFRS 16 Leases

The amendment removes the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated. This standard is not applicable to the Company

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. This standard is not applicable to the Company

3. **Significant accounting policies (continued)**

(p) New standards, amendments and interpretations issued but not effective as at 31 December 2022 and not adopted in advance of the effective date

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application and these statements, where applicable, will be applied in the year when they are effective.

Standard	Summary of amendments	Annual periods beginning on or after
IFRS 17 Insurance Contracts	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.	1 January 2023

3. **Significant accounting policies (continued)**

(p) New standards, amendments and interpretations issued but not effective as at 31 December 2022 and not adopted in advance of the effective date (continued)

Standard	**Summary of amendments**	**Annual periods beginning on or after**
IFRS 17 Insurance Contracts (cont'd)	IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	1 January 2023
IAS 1 Presentation of Financial Statements	Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	1 January 2023

3. **Significant accounting policies (continued)**

(p) New standards, amendments and interpretations issued but not effective as at 31 December 2022 and not adopted in advance of the effective date (continued)

Standard	Summary of amendments	Annual periods beginning on or after
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	01 January 2023

Notes to and forming part of the financial statements
for the year ended 31 December 2022

3. **Significant accounting policies (continued)**

(p) New standards, amendments and interpretations issued but not effective as at 31 December 2022 and not adopted in advance of the effective date (continued)

Standard	Summary of amendments	Annual periods beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.	01 January 2023

3. **Significant accounting policies (continued)**

(p) New standards, amendments and interpretations issued but not effective as at 31 December 2022 and not adopted in advance of the effective date (continued)

Standard	Summary of amendments	Annual periods beginning on or after
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	01 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability	01 January 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	01 January 2024
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit.	01 January 2023

Notes to and forming part of the financial statements
for the year ended 31 December 2022

3. **Significant accounting policies (continued)**

(p) New standards, amendments and interpretations issued but not effective as at 31 December 2022 and not adopted in advance of the effective date (continued)

Standard	Summary of amendments	Annual periods beginning on or after
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Cont'd)	For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: – Right-of-use assets and lease liabilities – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date	01 January 2023

4 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in Note 3, management of the Company has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimate made by management are summarised as follows:

Trade and other receivables

Management has estimated the recoverability of trade and other receivables and has considered the allowance required for doubtful receivables (Expected Credit Losses “ECL”) on the basis of prior experience and the current economic environment. After consideration on a case by case basis of the facts concerning the recoverability of each contract receivable, management believes that the expected credit losses for trade receivables at 31 December 2021 is MUR Nil (2020: MUR Nil) is sufficient to cover for any possible shortfall as at reporting date.

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Useful lives and residual values of plant and equipment

The useful lives and residual values of the plant and equipment are based on management’s judgement of the historical pattern of useful lives and the general standards in the industry. Management has reviewed the residual values and the estimated useful lives of property, plant and equipment in accordance with IAS 16 *Property, Plant and Equipment* and has determined that these expectations do not significantly differ from previous estimates.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

4 Critical accounting judgments and key sources of estimation uncertainty (continued)

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

5. **Financial risk management**

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management has established a credit policy under which each new customer is anlaysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references.

Cash and cash equivalents

The bank balances are held with banks, which are of good repute.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

5. **Financial risk management (continued)**

Credit risk (continued)

Exposure to credit risk (continued)

	Carrying Amount	
	2022	2021
	Rs	Rs
Cash and cash equivalents	**13,862,945**	12,125,099
Trade and other receivables	**4,509,802**	9,013,016
	=========	=========

Expected credit losses

The lifetime expected loss provision for amount owing from trade receivables is as follows:

31 December 2022

	Current Rs	**More than 30 days past due Rs**	**More than 60 days past due Rs**	**More than 120 days past due Rs**	**More than 180 days past due Rs**	**More than 365 days past due Rs**	**Total Rs**
Expected loss rate	**0%**	**0%**	**0%**	**10%**	**50%**	**100%**	
Gross carrying amount	**2,441,463**	**939,274**	**593,938**	**446,816**	**(121,661)**	**158,339**	**4.458,169**
Trade receivables not subject to loss provision	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loss provision	**-**	**-**	**-**	**44,682**	**(27,761)**	**158,339**	**175,260**
	=======	========	=======	========	========	========	========

31 December 2021

	Current Rs	More than 30 days past due Rs	More than 60 days past due Rs	More than 120 days past due Rs	More than 180 days past due Rs	More than 365 days past due Rs	Total Rs
Expected loss rate	0%	0%	10%	10%	50%	100%	
Gross carrying amount	5,030,400	3,982,672	583	583	(29,352)	86,6	9,071,530
Trade receivables not subject to loss provision	-	-	-	-	-	-	-
Loss provision	-	-	58	58	14,676	57,234	72,026
	=======	========	=======	========	========	========	========

5. **Financial risk management (continued)**

Credit risk (continued)

Exposure to credit risk (continued)

The Company has recognised an allowance for lifetime expected credit losses (ECLs) on its trade receivables for the year ended 31 December 2022 of **Rs 103,234** (2021: Rs nil). The ECL as at 31 December 2021 stood at **Rs 175,260** (2020: Rs 72,026). Losses recovered during the year amounted to **Rs nil** (2021: Rs 165,226). The Company uses the simplified approach to compute the ECL. The rationale for using the simplified approach was the insignificant financing component embedded within the trade receivables balance

When determining the relevant loss rates (i.e. provision matrix tool) for each trade receivables balances, the Company has considered all reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking macro-economic information.

Cash and cash equivalents

The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. ECL allowance is not material and therefore not recognised.

Other receivables

Other receivables are very short term in nature. Although the Company does not expect to demand repayment of the amount receivable in the near term, the maximum period over which it measures ECLs is close to nil. In measuring ECLs, the Company considers qualitative indicators of default (in addition to actual failure to pay).

Since the amount of ECL allowance on other receivable is not material, therefore not recognised.

5. **Financial risk management (continued)**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring 8unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual, undiscounted maturities of non-derivative financial liabilities excluding the impact of netting agreements.

At 31 December 2022

Non derivative financial liabilities	**Carrying amount Rs**	**Contractual cash flows Rs**	**Less than one year Rs**	**2 – 5 years Rs**	**More than 5 years Rs**
Trade and other payables	**13,939,356**	**13,939,356**	**13,939,356**	**-**	**-**
	=======	=======	=======	=======	=======

At 31 December 2021

Non derivative financial liabilities	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	2 – 5 years Rs	More than 5 years Rs
Trade and other payables	17,688,256	17,688,256	17,688,256	-	-
	=======	=======	=======	=======	=======

It is not expected that the cash flows included in the maturity analysis could change significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage an control risk exposures within acceptable parameters, while optimizing the return.

5. **Financial risk management (continued)**

Market risk (continued)

Currency risk

The currency profile of the Company's financial assets and liabilities is summarized as follows:

	Financial Assets 2022 Rs	**Financial liabilities 2022 Rs**	Financial Assets 2021 Rs	Financial liabilities 2021 Rs
Mauritian Rupee	**15,829,577**	**12,765,577**	20,317,078	16,514,477
USD	**2,543,170**	**1,173,779**	821,001	1,173,779
	18,372,747	**13,939,356**	21,138,079	17,688,256

Sensitivity analysis

At 31 December 2022, if exchange rate has strengthened by 5% against the following currencies the result would be as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant

	Increase/(decrease) in foreign exchange rates 2022 Rs	**Increase/(decrease) in profit after tax 2022 Rs**	Increase/(decrease) in foreign exchange rates 2021 Rs	Increase/(decrease) In profit after tax 2021 Rs
USD	**+5%**	**58,199**	+5%	14,993
	-5%	**(58,199)**	-5%	(14,993)

Price risk

The Company is not exposed to equity price risk.

Interest rate risk

The Company is not exposed to interest rate risk.

5. **Financial risk management (continued)**

Fair values

The fair values of financial assets and liabilities, together with their carrying amounts shown in the statement of financial position are as follows.

	Carrying values 2022 Rs	**Fair values 2022 Rs**	Carrying values 2021 Rs	Fair values 2021 Rs
Trade and other receivables	**4,509,802**	**4,509,802**	9,013,016	9,013,016
Cash and cash equivalents	**13,862,945**	**13,862,945**	12,125,100	12,125,100
Trade and other payables	**(13,939,356)**	**(13,939,356)**	(17,688,256)	(17,688,256)

Financial instrument by category

31 December 2022

	Amortised cost Rs	**Total Rs**
Financial assets		
Trade and other receivables	**4,509,802**	**4,509,802**
Cash and cash equivalents	**13,862,945**	**13,862,945**
	18,372,747	**18,372,747**

	Amortised cost Rs	**Total Rs**
Financial liabilities		
Trade and other payables	**13,939,356**	**13,939,356**
	13,939,356	**13,939,356**

Notes to and forming part of the financial statements
for the year ended 31 December 2022

5. **Financial risk management (continued)**

Financial instrument by category (continued)

31 December 2021

	Amortised cost Rs	Total Rs
Financial assets		
Trade and other receivables	9,012,980	9,012,980
Cash and cash equivalents	12,125,099	12,125,099
	21,138,079	21,138,079

	Amortised cost Rs	Total Rs
Financial liabilities		
Trade and other payables	17,688,256	17,688,256
	17,688,256	17,688,256

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of gearing ratio. The capital structure of the Company consists of stated capital and retained earnings.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year. At year end, the Company had no capital risk as it was not exposed to external borrowings.

6. Revenue

Revenue for the Company consists of amounts invoiced net of trade discounts, allowances, value added tax and adjustments.

7. Personnel expenses

	2022	2021
	Rs	Rs
Wages and salaries	**2,461,437**	2,367,690
The number of persons employed at the end of the year was:	**6**	6

8. Net finance income/(costs)

	2022	2021
	Rs	Rs
Finance income		
Exchange gain	**626,124**	124,883
Interest income	**358**	-
	626,482	124,883
Finance expense		
Exchange loss	**(560,400)**	(389,136)
Net finance income/(costs)	**66,082**	(264,253)

Notes to and forming part of the financial statements
for the year ended 31 December 2022

9. Taxation

The Company is subject to income tax in Mauritius at the rate of 15%.

	2022	2021
	Rs	Rs
Income tax expense		
Current tax	**420,588**	127,223
Deferred tax movement for the year (note 11)	**(9,716)**	(33,300)
Corporate Social Responsibility	**16,963**	10,935
Tax charge in the statement of profit or loss	**427,835**	104,859
Reconciliation of effective taxation		
Profit before taxation	**2,453,956**	611,087
Income tax at 15%	**368,093**	91,663
Non-deductible expenses	**81,450**	89,995
Non-taxable income	**-**	(24,784)
Corporate Social Responsibility	**16,963**	10,935
Annual allowance	**(28,955)**	(29,651)
Deferred tax movements	**(9,716)**	(33,300)
Tax charge,	**427,835**	104,859
Current tax liability		
At 01 January	**202,543**	233,605
Current tax expense	**420,588**	127,223
Paid during the year	**(202,543)**	(169,220)
Corporate social responsibility	**16,963**	10,935
At 31 December	**437,551**	202,543

10. **Plant and equipment**

	Computers & electronic equipments	Furniture & fittings	Motor vehicles	Office equipment	Total
	Rs	Rs	Rs	Rs	Rs
Cost					
At 01 January 2022	371,930	139,386	1,127,010	24,655	1,662,981
Additions	**53,700**	**-**	-	-	**53,700**
At 31 December 2022	**425,630**	**139,386**	**1,127,010**	**24,655**	**1,716,681**
Depreciation					
At 01 January 2022	309,299	137,168	598,552	24,655	1,069,674
Charge for the year	47,373	261	225,402	-	273,036
At 31 December 2022	**356,672**	**137,429**	**823,954**	**24,655**	**1,342,710**
Net book value					
At 31 December 2022	**68,958**	**1,957**	**303,056**	**-**	**373,971**
At 31 December 2021	**62,631**	**2,218**	**528,458**	**-**	**593,307**

11. **Net deferred tax assets**

	2022	2021
	Rs	Rs
At 01 Jan	**41,011**	7,712
Movement during the year recognized in the statement of profit or loss (note 8)	**9,717**	33,300
At 31 December	**50,728**	41,011
Deferred tax liabilities/(assets) are attributable to:		
Accelerated capital allowances on plant and equipment	**(1,264)**	10,736
Retirements benefits obligation	**(49,464)**	(51,747)
	(50,728)	(41,011)

12. **Trade and other receivables**

	2022	2021
	Rs	Rs
Trade receivables	**3,536,529**	8,934,270
Trade receivables from related parties (note 18)	**921,640**	137,260
Expected credit losses		
At beginning	**(72,026)**	(237,252)
Losses recovered and reversed during the year	**-**	165,226
Provision for the year	**(103,234)**	-
	(175,260)	(72,026)
Net trade receivables	**4,282,909**	8,999,504
Other receivables	**226,893**	13,476
Prepayments and deposits	**185,420**	188,436
	4,695,222	9,201,416

Trade and other receivables are unsecured, interest free with no fixed repayment terms and repayable at call. The Company does not hold any collateral as security. The carrying amounts of trade receivables, other receivables and amount due from related parties approximate their fair values.

13. **Cash and cash equivalents**

	2022	2021
	Rs	Rs
Cash in hand	**3,872**	13,528
Cash at bank	**13,859,073**	12,111,571
	13,862,945	12,125,099
Cash and cash equivalents in the statement of cash flows	**13,862,945**	12,125,099

14. **Share capital**

	2022	2021
	Rs	Rs
Authorised, issued and fully paid		
675 ordinary shares of Rs 1,000 each	**675,000**	675,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholders meetings of the Company.

15. **Notes to the statement of cash flows**

Reconciliation of liabilities arising from financing activities

The table below shows details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	01/01/2022	Financing cash flows	Non cash changes	31/12/2022
	USD	USD	USD	USD
Dividend paid	-	(1,500,000)	-	-

16. **Retirement benefits obligations**

	2022	2021
	Rs	Rs
At 01 January	**344,982**	185,665
Movement for the year recognized in the statement of profit or loss	**(15,226)**	173,143
At 31 December	**329,756**	344,982

Retirement benefits obligations calculation is made up of

	2022	2021
	Rs	Rs
Severance allowance*	**61,157**	185,665
Portable Retirement Gratuity Fund ("PRGF")**	**205,901**	205,901
Defined benefit plans	**62,698**	-
At 31 December	**329,756**	344,982

* This allowance is based on a total contribution equivalent to 15 days' final remuneration per year of employment from the date the employee started employment with the Company. This benefits is applicable till 31 December 2019.

** In line with the Workers' Rights Act 2019, the Company is required to make monthly contributions to the Portable Retirement Gratuity Fund ("PRGF") for all employees in employment effective as from 01 January 2020. The amount shown relates to provisions for the period 01 January 2020 – 31 December 2021 not yet remitted to the MRA.

16. **Retirement benefits obligations (continued)**

Defined benefit plans

	2022	2021
	Rs	Rs
Amount recognised in the statement of financial position as non-current liabilities		
Defined pension benefits (note (a) (iii))	**62,698**	-
Amount charged to profit or loss:		
Pension benefits (note (a) (vi))	**8,912**	-
Amount charged to other comprehensive income:		
Pension benefits	**-**	-

(a) Defined pension benefits

(i) The assets of the fund are held independently and administered by the State Insurance Organisation of Mauritius Ltd (SICOM).

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligations were carried out in 25 April 2023 by SICOM (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statement of financial position are as follows:

	2022	2021
	Rs	Rs
Present value of funded obligations	**62,698**	-
Fair value of plan assets	**-**	-
Liability in the statement of financial position	**62,698**	-

(iii) The movements in the statement of financial position are as follows:

	2022	2021
	Rs	Rs
At 01 January	**53,786**	-
Charged to profit or loss	**8,912**	-
At 31 December	**62,698**	-

16. **Retirement benefits obligations (continued)**

(iv) The movement in the defined benefit obligations over the year is as follows:

	2022	2021
	Rs	Rs
At 01 January	**53,786**	-
Current service cost	**6,588**	-
Interest cost	**2,324**	-
Benefits paid	**-**	-
Actuarial losses	**-**	-
At 31 December	**62,698**	-

(v) The movement in the fair value of plan assets over the year is as follows:

	2022	2021
	Rs	Rs
At 01 January/31 December	**-**	-

(vi) The amount recognised in profit or loss are as follows:

	2022	2021
	Rs	Rs
Current service cost	**6,588**	-
Net interest expense	**2,324**	-
Total included in employee benefit expense	**8,912**	-

(vii) The amount recognised in other comprehensive income are as follows:

	2022	2021
	Rs	Rs
At 01 January/31 December	**-**	-

16. **Retirement benefit obligations (continued)**

(viii) The assets in the plan were:

	2022	2021
	%	%
Fixed interest securities and cash	**56.9**	56.1
Loans	**0.5**	0.6
Local equities	**14.8**	12.4
Overseas bonds and equities	**27.2**	30.4
Property	**0.6**	0.5
Total	**100**	100

(ix) The weighted average duration of the defined benefit obligations for the Organisation at the end of the reporting period is 35 years.

(x) The principal actuarial assumptions used for accounting purposes were:

	2022	2021
	%	%
Discount rate	**6.48**	-
Future salary increases	**3.50**	-
Expected returns on plan assets	**5.50**	-

(xi) Sensitivity analysis on defined benefit obligations at end of the reporting date were as follows:

(a) If the discount rate would be 100 basis points (1%) higher/(lower), the defined benefit obligations would decrease by Rs 16,028 (increase by Rs 21,920) if all other assumptions were held unchanged.

(b) If the expected salary growth would increase/(decrease) by 1%, the defined benefit obligations would increase by Rs 46,955 (decrease by Rs 32,988) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rates and expected salary increase, given that both depended to a certain extent on expected inflation rates. The above analysis abstracts from these interdependence between he assumptions.

16. **Retirement benefit obligations (continued)**

(xii) The plan exposes the Company to normal risks associated with defined benefit pension plans, such as investment, interest, longevity and salary risks.

Investment risk (where the plan is funded)

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest rate risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partly offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk (where the plan is funded and an annuity is paid over life expectancy)

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

17. **Trade and other payables**

	2022	2021
	Rs	Rs
Trade payables	**3,733,660**	379,368
Trade payables to related parties (note 18)	**6,319,569**	12,218,119
VAT payable	**135,553**	110,523
Other payables and accruals	**3,886,127**	5,090,769
	14,074,909	17,798,779

The carrying amounts of trade and other payables approximate their fair values.

18. **Related party transactions**

Related parties	**Nature of relationship**	**Related party transactions**	**Value of transaction for the year ended 31 December 2022 Rs**	Value of transaction for the year ended 31 December 2021 Rs	**Debit / (credit) at 31 December 2022 Rs**	Debit / (credit) at 31 December 2021 Rs
Key management personnel	Managing Director	Salaries and short-term benefits	**1,150,366**	1,113,120	**-**	**-**
ECU International Far East Ltd	Related company	Management fees	**1,457,231**	899,257	**-**	**-**
Ecu-Line Belgium*	Related Company	Sale of Services	**81,252,901**	71,807,240	**921,640**	137,260
		Purchase of services	**72,204,806**	64,973,853	**(6,319,569)**	(12,218,119)

The above transactions were carried out on normal commercial terms and in the normal course of business. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

* Ecu-Line Belgium is the office responsible for collecting all receivables and payables of ocean and air freights and paying them to the various Ecu-Line offices worldwide.

Ecu-Line Mauritius remits the net amount due to the various Ecu-Line offices with whom it has traded during the year to Ecu-Line Belgium who will individually settles same to the various Ecu-Line offices.

19. **Operating lease**

(i) *Leases as lessee –Office*

The Company leases its office premises a under non-cancellable operating lease agreements with the Mauritius Freeport Development Company Limited at the MFD Business Centre in Port Louis. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	Rs	Rs
Minimum lease payments under operating lease recognized as an expense in the year	**358,967**	334,205
	========	========
Operating lease commitments		
Within one year	**376,915**	350,915
Between one and two years	**-**	-
	--------------	-------------
	376,915	350,915
	========	========

The above lease typically runs for an initial period of one year, with an option to renew the lease after that date. It contains no contingent rentals.

20. **Holding company and ultimate holding company**

The immediate holding Company is ECUHOLD N.V, a Company registered and incorporated at Schouwkesnsstraat, 1, 2030 Antwerpen, Belgium. The ultimate holding company is Allcargo Global Logistics Ltd, a Company registered and incorporated in Mumbai, India.

21. **Contingencies**

	2022	2021
	Rs	Rs
Contingent liabilities		
Bank guarantees in favour of the Mauritius Revenue Authority	**1,000,000**	1,000,000
	========	========

The directors have confirmed that the above guarantees have aroused in the ordinary course of business from which it is anticipated that no material liabilities would arise.

22. **Events after reporting date**

There have been no significant events after the statement of financial position date which in the opinion of the board of directors requires disclosure in the financial

ECU WORLDWIDE (MAURITIUS) LTD

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2022

	Appendix	**2022**	2021
		Rs	Rs
Revenue	1	**81,252,901**	71,807,240
Cost of sales	2	**(72,204,806)**	(64,973,853)
Gross profit		**9,048,095**	6,833,387
Other income	3	**-**	165,226
Administrative expenses	4	**(6,660,222)**	(6,123,273)
Profit from operations		**2,387,873**	875,340
Net finance income/(costs)	5	**66,083**	(264,253)
Profit before taxation		**2,453,956**	611,087

ECU WORLDWIDE (MAURITIUS) LTD

Appendix
for the year ended 31 December 2022

1. **Revenue**

	2022	2021
	Rs	Rs
Operating revenue – import	**79,193,060**	69,652,204
Operating revenue - export	**2,059,841**	2,155,036
	81,252,901	71,807,240

2. **Cost of sales**

	2022	2021
	Rs	Rs
Operational costs – import	**70,892,248**	63,555,267
Operational costs - export	**1,312,558**	1,418,586
	72,204,806	64,973,853

3. **Other income**

	2022	2021
	Rs	Rs
Bad debts recovered	**-**	165,226
	-	165,226

ECU WORLDWIDE (MAURITIUS) LTD

Appendix
for the year ended 31 December 2022

4. **Administrative expenses**

	2022	2021
	Rs	Rs
Salaries & wages	**2,461,437**	2,367,690
Employee benefits	**(15,226)**	159,317
Management fees	**1,457,231**	899,257
Rent	**358,967**	334,205
Motor vehicle running expenses	**234,078**	117,187
Overseas travelling	**29,193**	49,200
Communication costs	**81,661**	81,203
Other staff costs	**715,446**	433,620
Depreciation	**273,036**	260,355
Professional fees	**187,261**	628,811
Repairs and maintenance	**38,816**	59,989
Stationery, postage, printing & office supplies	**89,086**	81,619
Bank charges	**105,341**	45,002
Staff welfare & entertainments	**46,153**	2,845
License & permits	**270,519**	255,072
Marketing expenses	**-**	13,543
Insurance expenses	**156,497**	118,000
Subscriptions & memberships	**15,529**	18,604
Other receivables written off	**-**	136,140
Office expenses	**32,369**	49,479
Donations	**14,435**	6,175
Penalties	**5,159**	-
Provisions for bad debts	**103,234**	-
Sundries	**-**	5,960
	6,660,222	6,123,273

5. **Net finance income/(costs)**

	2022	2021
	Rs	Rs
Finance income		
Exchange gain	**626,124**	124,883
Interest income	**358**	-
	626,482	124,883
Finance expense		
Exchange loss	**(560,400)**	(389,136)
Net finance income/(costs)	**66,082**	(264,253)