

**EXPERT LEASING LTD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2024**

**EXPERT LEASING LTD**  
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**FOR THE YEAR ENDED 30 JUNE 2024**

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**EXPERT LEASING LTD**  
**CORPORATE PROFILE AND INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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Expert Leasing Ltd was incorporated as a private company on 21 January 2010 and was subsequently converted into a public company on 19 October 2010. Its activities reside in the provision of lease facilities. Expert Leasing Ltd is duly authorised by the Financial Services Commission to conduct the said activity.

Registered Office	ABC Centre Military Road Port Louis
Place of Business	2 <sup>nd</sup> Floor ABC Centre Military Road Port Louis
Contact details	Tel: 217 1888 Website: <a href="http://www.expertleasing.mu">www.expertleasing.mu</a>
Board of Directors	Mr. Joseph Anthony Tseung Sum Foi, <i>Non-Executive Chairman</i> Mr. James Lim Teng Chong, <i>Executive Director</i> Mrs. Valerie Ah-Chuen Juban, <i>Non-Executive Director</i> Mr. Sydney Ah Yoong, <i>Independent Director</i> Mr. Pascal Lee Choong Tong, <i>Independent Director</i> Mr. Ah-Lan Lam Yan Foon, <i>Independent Director (Until 26<sup>th</sup> October 2023)</i>
Company Secretary and Share Registry	<b>ABC Professional &amp; Secretarial Services Ltd</b> ABC Centre Military Road Port Louis
External Auditor	<b>Baker Tilly</b> Level 2, Tribeca Central Trianon 72261, Mauritius
Main Bankers	<b>ABC Banking Corporation Ltd</b> WEAL HOUSE, Duke of Edinburgh Avenue, Place D'Armes, 11328, Port Louis, Mauritius  <b>The Mauritius Commercial Bank Ltd</b> 15, Sir William Newton Street, Port Louis, Mauritius  <b>Bank One Limited</b> 16, Sir William Newton Street, Port Louis, Mauritius

**EXPERT LEASING LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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**Introduction**

Expert Leasing Ltd (the “Company”) is classified as a Public Interest Entity under the Financial Reporting Act 2004. The Board of Directors of the Company is committed to attaining and sustaining the highest standards of corporate governance with the objective of enhancing shareholders’ value whilst having regard to stakeholders at large. It believes that good governance is not only concerned with complying with the legal and regulatory requirements but also encompasses operating within the highest level of business ethics and applying same to the stewardship and supervision of the management of the Company by the Board of Directors.

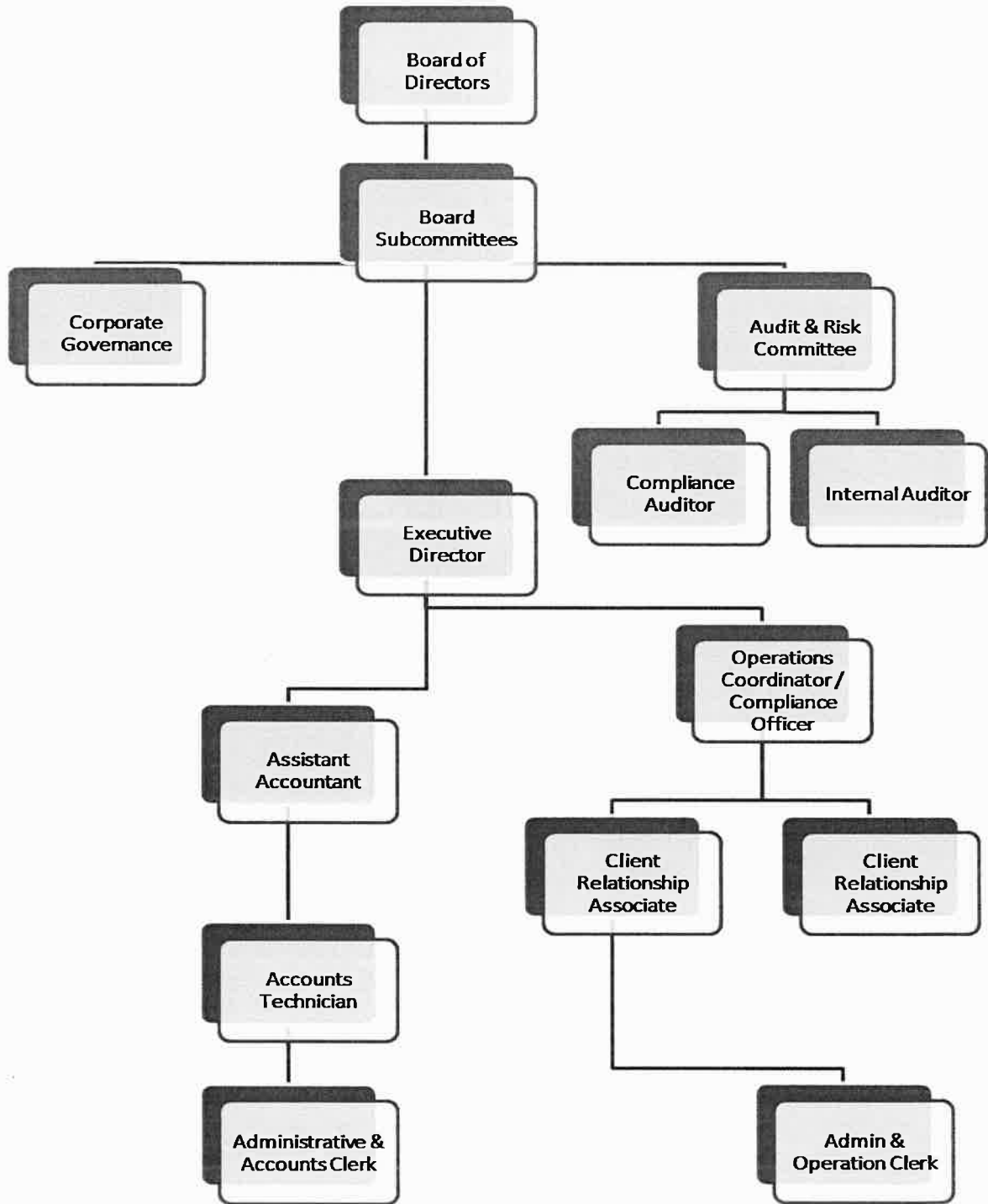
**PRINCIPLE ONE - GOVERNANCE STRUCTURE**

The Board of Directors is the link between the Company and its stakeholders and Board members are collectively responsible to lead and control the Company to enable it to attain its strategic objectives. In discharging its duties, the Board of Directors shall promote the best interests of the Company and consider the interests of other stakeholders.

The Company does not have a Constitution and hence is governed by the Companies Act 2001. The Company has a Board Charter which is available upon request made to the Company Secretary. As for the Code of Business Conduct and Ethics, same is available on the Company’s website.

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**Organisational Chart**



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**Key Governance Responsibilities**

***Board of Directors***

The Board of Directors is the Company's ultimate unitary decision-making body. The Board exercises leadership, entrepreneurship, integrity and sound judgement in directing the Company to achieve its objectives while ensuring performance. The Board also ensures that the activities of the Company comply with all legal and regulatory requirements.

Responsibilities of the Board are set out in its Charter which may be reviewed on a yearly basis or as and when required with the introduction of, or amendment to laws and regulations. The Board is collectively responsible and accountable for the affairs and overall performance of the Company. It ensures that proper systems and controls are in place to protect the Company's assets and its good reputation. It also determines the strategic direction of the Company and identifies key risk areas, monitors and evaluates the implementation of policies, plans and approves the Company's capital expenditure including investments and operating budgets.

***Chairman of the Board***

The Chairman provides leadership to the Board and ensures the smooth functioning thereof whilst encouraging the active participation of the members. He ensures that the Board is effective in its duties of setting out and implementing the Company's strategies.

***Executive Director***

The Executive Director is responsible for the day-to-day running of the Company's operations. He provides leadership and direction to Management and implements the plans and strategies of the business in line with the policies set by the Board.

***Non-Executive Directors and Independent Directors***

The Non-Executive and Independent Directors constructively challenge and contribute to the development of the Company's strategies and goals. They provide support to the Executive Director and monitor the progress of the agreed strategy within the risk and control framework set by the Board.

***Company Secretary***

Expert Leasing Ltd has a service agreement with ABC Professional & Secretarial Services Ltd ("ABCPS") for the provision of company secretarial services. ABCPS provides assistance and information on governance and corporate administration issues. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable laws and regulations are complied with. It also has primary responsibility for guiding the Board with regard to their duties and responsibilities.

All directors have access to the advice and services of the Company Secretary which is responsible for providing guidance to the directors as to their duties, responsibilities and powers.

The Company Secretary is also responsible for taking accurate and precise Board minutes which are then submitted for approval at subsequent meetings. It acts as Secretary to all Committees and the minutes of all Committee meetings are tabled at Board meetings for the Board to take note of the deliberations and recommendations formulated by such Committees.

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**Key Governance Responsibilities (Continued)**

***Company Secretary (Continued)***

The Company Secretary is also the primary channel of communication between the Company and its shareholders as well as the regulatory bodies.

ABCPS is represented by Mrs. Cindy Larose, *ACIS*. Mrs. Larose has more than 16 years' experience in the corporate secretarial field and is an Associate of The Chartered Governance Institute UK & Ireland (*formerly known as the Institute of Chartered Secretaries and Administrators (ICSA)*). She is also a member of the Mauritius Institute of Directors ("MIoD").

***Board Committees***

The Board of Directors is supported by two main sub-committees in its functions, namely the Audit and Risk Committee and the Corporate Governance Committee. The two Committees are headed by experienced Chairmen who report on their activities and make recommendations on matters delegated to them under their respective Charters at subsequent meetings of the Board. In order to fulfil the duties and responsibilities delegated to them, the Committees are authorised to obtain independent professional advice at the Company's expense.

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities and is also accountable for any other duties that may be designated by the Board from time to time.

The Corporate Governance Committee has been set up in order to advise the Board on Corporate Governance matters and to ensure that the Company complies with the requirements of the National Code of Corporate Governance for Mauritius (2016) (the "Code").

More information on Board Committees is provided further below.

**PRINCIPLE TWO – STRUCTURE OF THE BOARD AND ITS COMMITTEES**

**Board structure**

The Company is led by an effective unitary Board which is the favoured structure for companies in Mauritius.

**Board Size**

As at 30 June 2024, the Board was composed of five members consisting of one executive director, two non-executive directors and two independent directors. In view of the business scope and current activities of the Company, the Board is of opinion that one executive director being responsible for the day-to-day management of the Company, working in close collaboration with the Chairman, is sufficient. Consequently, no Chief Executive Officer ("CEO") has been appointed.

All the directors are re-elected by separate resolutions at Annual Meeting of Shareholders of the Company.

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**Board Composition**

As at 30 June 2024, the Board of Directors of the Company was composed as follows:

<b>Name</b>	<b>Position</b>
Mr. Joseph Anthony Tseung Sum Foi	Non-Executive Chairman
Mr. James Lim Teng Chong	Executive Director
Mrs. Valerie Ah-Chuen Juban	Non-Executive Director
Mr. Sydney Ah Yoong	Independent Director
Mr. Pascal Lee Choong Tong	Independent Director

It was noted that Mr. Ah Lan Lam Yan Foon resigned as Director of the Company on 26 October 2023.

The profiles of the directors as well as their directorships in other listed companies are set out on pages 9 to 11 of this Corporate Governance Report.

**Board balance and diversity**

The directors of the Company are all ordinarily resident of Mauritius.

The Board has a non-discrimination policy in its employment practices and endeavours to have representation at its senior governance position including disability, gender, sexual orientation, gender realignment, race, religion and belief. The Board believes that the current directors possess the appropriate expertise and knowledge to discharge their duties and responsibilities effectively and to meet the Company's business requirements. The Board currently has one female director.

**Board Meetings**

Board meetings are convened not less than 4 times a year and appropriate notice to the directors is given. Detailed agenda, as determined by the Chairman in conjunction with the Executive Director and Company Secretary, together with management reports and such other relevant papers are circulated in advance to the directors to allow for focused and informed deliberations at meetings. Urgent decisions are taken by way of written resolutions of the Board of Directors.

During the year under review, the Board met four (4) times and attendance by directors is set out on page 8 of this Corporate Governance Report. All important decisions taken between the meetings were confirmed by way of written resolutions, approved and signed by all the directors of the Company.

**Board Committees**

The Board is supported by its two Committees which provide in-depth focus on specific areas and make recommendations on matters delegated to them encompassing internal control, financial reporting, governance, strategy and risk management. Each Committee has its own terms of reference which is approved by the Board and reviewed as and when necessary.

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**Board Committees (Continued)**

*Audit and Risk Committee*

The Audit and Risk Committee has been established by the Board to assist it in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and control processes, the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

The Committee also provides a forum for discussing business risk and control issues and for developing relevant recommendations for consideration by the Board. It also monitors the role and scope of works of internal and compliance auditors and maintains an appropriate relationship with external auditors. The Committee has the authority to conduct investigations into any matter within its scope of responsibilities and to obtain such outside or other independent professional advice as it considers necessary to carry out its duties. The Committee normally meets on a quarterly basis and during the financial year under review, the Committee met six (6) times.

Members of the Audit and Risk Committee as at 30 June 2024 are:

Chairman:	Mr. Sydney Ah Yoong <i>(as from 13 October 2023)</i>	Independent Director
	Mr. Pascal Lee Choong Tong <i>(until 13 October 2023)</i>	Independent Director
Members:	Mrs. Valerie Ah-Chuen Juban	Non-Executive Director
	Mr. Pascal Lee Choong Tong <i>(Member as from 13 October 2023)</i>	Independent Director
	Mr. Ah-Lan Lam Yan Foon <i>(Ceased to be a Member as from 26 October 2023)</i>	Independent Director

*Corporate Governance Committee*

The Corporate Governance Committee has been established by the Board to make recommendations to the Board on corporate governance provisions to be adopted so that the Company remains effective and complies with prevailing corporate governance principles.

The Committee also makes recommendations to the Board on the appointment of new executive, non-executive and independent directors as well as senior management and advises on the composition of the Board in general.

The Committee normally meets on a yearly basis and during the financial year under review, the Committee met only once.

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**Board Committees (Continued)**

***Corporate Governance Committee (Continued)***

Members of the Corporate Governance Committee as at 30 June 2024 are:

Chairman:	Mr. Pascal Lee Choong Tong	Independent Director
Members:	Mr. James Lim Teng Chong	Executive Director
	Mr. Sydney Ah Yoong <i>(Member from 26 October 2023)</i>	Independent Director
	Mr. Ah-Lan Lam Yan Foon <i>(Member until 26 October 2023)</i>	Independent Director

**Directors' attendance at Board and Committees' meetings during the financial year ended 30 June 2024**

Directors	Board	Audit and Risk Committee	Corporate Governance Committee
TSEUNG SUM FOI Joseph Anthony <i>(Chairman)</i>	4 out of 4	N/A	N/A
AH-CHUEN JUBAN Valerie	4 out of 4	5 out of 6	N/A
AH YOONG Sydney	4 out of 4	3 out of 6	0 out of 1
LAM YAN FOON Ah-Lan	1 out of 4	3 out of 6	1 out of 1
LEE CHOONG TONG Pascal	4 out of 4	6 out of 6	1 out of 1
LIM TENG CHONG James	4 out of 4	N/A	1 out of 1

**Internal Directorship**

The internal directorship of the directors of the Company are disclosed below while their directorships in Listed companies where applicable are mentioned in their respective profile:

Directors	ABCAT	ABCCR	ABCM	ALT	CW	FLM	GHL
AH-CHUEN JUBAN Valerie	●	○	●	○	○	○	●
AH YOONG Sydney							
LAM YAN FOON Ah-Lan	●				●		
TSEUNG SUM FOI Joseph Anthony	○						
LEE CHOONG TONG Pascal Lee							
LIM TENG CHONG JAMES							

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**Internal Directorship (Continued)**

*Abbreviations:*

ABCAT	ABC AUTOTECH LTD
ABCCR	ABC CAR RENTAL LIMITED
ABCM	ABC MOTORS COMPANY LIMITED
ALT	ALADDIN TOURS LTD
CW	CHUE WING & COMPANY LIMITED
FLM	FLEETLEADER (Mauritius) LTD
GHL	GOOD HARVEST LIMITED
●	Director
○	Alternate Director

**PRINCIPLE THREE – DIRECTOR APPOINTMENT PROCEDURES**

**Appointment and Re-election of Directors**

The Corporate Governance Committee makes recommendations to the Board for the appointment of directors either to fill a casual vacancy or as an additional member of the Board.

Newly appointed directors are subject to election in their first year of appointment by the shareholders of the Company at its Annual meeting.

**Induction and Orientation**

On appointment, every new director benefits from a programme aimed at deepening the understanding of the business, its environment and the markets in which the Company operates. As part of the induction programme, the new director receives a comprehensive pack from the Company Secretary which contains the essential information about the Company, the composition of the Board and its sub committees as well as various other statutory documents.

**Professional Development**

Directors of the Company are encouraged to follow continuous professional development courses/trainings to keep up to date with industry, legal and regulatory developments.

**Succession Planning**

There is currently no formal succession plan in place considering the size and the scope of activities of the Company. However, the Board gives due consideration to recognise and nurture talents within executive and management level as succession planning is an important element to ensure business continuity and reduce the risk of operational disruptions. The Company ensures that ongoing trainings and development needs are conducted at regular intervals within Executive and Management levels to ensure that it creates opportunities to develop current and future leaders.

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**Profile of the Directors**

***Mr. Joseph Anthony Tseung Sum Foi – Non-Executive Chairman***

Mr. Joseph Anthony Tseung Sum Foi is a Fellow member of the Association of Chartered Certified Accountants (FCCA) and has been the General Manager of the Automobile Cluster of the ABC Group of Companies since 2001. He previously occupied the posts of Audit and Systems Executive (1996-1998) and Finance and Systems Executive (1998-2001) within the Group. He has been appointed as Chief Operating Officer from October 2017 to June 2021 and is the Company's Strategic Business Development Advisor since 01 July 2021.

He is currently the Chairman of Expert Leasing Ltd.

***Mrs. Valerie Ah-Chuen Juban – Non-Executive Director***

Mrs. Valerie Ah-Chuen Juban currently holds the position of Strategic Manager at SPEEDFREIGHT LTD, one of the leading companies of the Shipping Cluster of ABC Group that is specialised in Freight Forwarding and Warehousing of goods. She holds a BBA (Bachelor of Business Administration) from the European University of Toulouse, France. She previously occupied the posts of Business Development Manager at SPEEDFREIGHT LTD, Marketing Executive of the Life Assurance Department of GOOD HARVEST LIMITED (an accredited Agent of the Mauritius Union General Insurance) and Business Development Manager at Orange Eight Ltd.

***Mr. Sydney Ah Yoong – Independent Director***

Mr. Sydney Ah Yoong is a Fellow member of the Association of Chartered Certified Accountants since 1987. He is currently a director of P.O.L.I.C.Y Ltd. He has worked at Deloitte for more than 38 years and is a retired Partner since December 2012.

***Mr. James Lim Teng Chong – Executive Director***

Mr. James Lim Teng Chong holds a Bachelor of Business from the University of Technology, Sydney and is a member of CPA Australia. He has previously worked as the General Manager of GOOD HARVEST LIMITED, an accredited Agent of the Mauritius Union General Insurance and La Prudence Life Insurance. He has also worked as a Consultant at Price Waterhouse (Mauritius) and as a system accountant at the Banque National de Paris (Sydney), Australia.

***Mr. Pascal Lee Choong Tong – Independent Director***

Mr. Pascal Lee Choong Tong holds a Bachelor of Science in Management Sciences from the University of Warwick, UK and is an associate member of the Chartered Institute of Management Accountants (CIMA).

He spent the last 17 years at Air-Tec Global, an aircraft leasing and aviation related group of companies, where he is the current Group Chief Financial Officer.

He previously worked at his family printing business, in hire purchase at CIM Finance Ltd and as an audit consultant at BDO.

Directorship in listed companies: Nil

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*Mr. Ah-Lan Lam Yan Foon – Independent Director (Until 26 October 2023)*

Mr. Ah-Lan Lam Yan Foon is a Fellow member of the Association of Chartered Certified Accountants. He worked for 10 years in an international firm of Chartered Accountants where he acquired experience in various sectors of the economy. Over 24 years, he worked for a leading Freight Forwarding and Shipping Organisation within Rogers Group where he held the position of Finance & Administration Director and subsequently acted as Managing Director for 6 years up to his retirement. During the period 2000-2016, he provided consultancy services in the various fields of Finance and Management.

Mr. Ah-Lan is one of the founder members of ACCA (Mauritius Branch) and was its President in 1988. He was awarded the Certificate of Recognition for Dedication and Commitment to the service of ACCA in 2004.

Mr. Ah-Lan was the first elected President of The Mauritius Red Cross Society (2007-2010) at national level. He is a Managing Committee member of the Chinese Chamber of Commerce, and the Vice President of the Mauritius Economic Society (founded in 1962) and vice-president of the Dodo Philatelic Society. He is also the Chairman of ABC Group Pension Fund.

Mr. Ah-Lan holds directorship in the following companies:

ABC AUTOTECH LTD, CHUE WING & COMPANY LIMITED, GinMori Auto Ltd, ORIENTAL FOODS LIMITED, SPEEDFREIGHT LTD and P.O.L.I.C.Y. Limited (a Company listed on the Official Market of the Stock Exchange of Mauritius).

## **PRINCIPLE FOUR – DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE**

### **Legal Duties**

The directors of the Company are aware of their legal duties and responsibilities as contained in the Mauritius Companies Act 2001. The directors observe and foster high ethical standards and affirm that they exercise their duties with a degree of care, skill and diligence.

### **Code of Business Conduct and Ethics**

Expert Leasing Ltd has adopted a Code of Business Conduct and Ethics which encompasses the core values of the Company and the standard of dealings that the public at large can uncompromisingly expect. The Code is designed to help employees at all levels to understand their responsibilities, carry out their duties with due diligence, honesty and integrity, which are fundamental to the reputation and success of the Company. The Company has also a whistleblowing policy to encourage employees to freely communicate concerns about illegal, unethical or questionable practices that they may come across to Senior Management or Internal Auditor without fear of reprisal.

### **Conflict of Interest**

Directors must avoid instances that may give rise to conflicts of interest or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest must be made known to the Board and recorded accordingly. The onus will be on the directors to advise the Board on any change in their situation.

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**Conflict of Interest (Continued)**

On declaration of his interest, the concerned director shall not participate in the discussions and/or decision-making process on the transaction in relation to which conflict arises but may continue to be present unless the Chairman judges otherwise. The transaction may however be concluded and approved at market terms and conditions.

Conflict of Interest policy is available on the Company's website.

**Information Technology and Information Security**

The Board through its Audit and Risk Committee is responsible to oversee information governance within the Company and ensures that the performance of information technology (IT) systems lead to business benefits and create value. The Board ensures that information assets are managed effectively and has delegated to management the implementation of a framework on information technology and security governance. Management also ensures that the Company has adequate business reliance arrangements in place for business continuity.

During the year under review, the company's IT governance framework has been realigned with changes in industry best practices, regulatory requirements, and the specific needs of the organization. The company has consistently monitored and reassessed the IT policies, practices, investments, and all mechanisms like annual IT business planning, Key Performance Indicators monitoring, budgetary controls and monthly management reviews covering aspects of IT governance and security, threats, service level, incident management, IT capital investment and operating expenditure. It has been ensured that IT projects are aligned with the business objectives and adequate risk management measures have been implemented to guarantee business continuity.

The Company is continuously enhancing the cybersecurity protocols through the gradual use of AI-driven security system. This system leverages artificial intelligence and machine learning to proactively detect and respond to potential threats, enhancing our ability to safeguard our IT infrastructure and digital assets.

The Company has developed its IT policies based on universally accepted best practices and standards. Management is responsible for the effective implementation of the IT policies and procedures which are overseen by the Audit and Risk Committee. The effectiveness of the policies is also tested during the yearly audit exercise.

**IT Policies and Procedures**

Policies and procedures allow management to communicate the way things should be done and IT policies and procedures are no exception. To this effect, the Company has put in place various IT policies such as access to and usage of the Company's IT facilities and administration and maintenance of IT hardware and systems amongst others that are aimed at maintaining and protecting the integrity of data and information from internal or external cyber-attacks and to ensure the smooth operations of the Company as per the adopted protocol. Likewise, the IT policies contribute to the overall increase in Company's productivity and performance, achieve greater efficiencies and positive return on investments in technology.

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**Board Information**

The Chairman in close collaboration with the Company Secretary ensures that directors receive all information necessary for them to perform their duties effectively and that the Board is allocated sufficient time for consultation and decision-making.

**Directors' and Officers' Indemnity and Insurance**

The Company has contracted the Directors and Officers Liability Insurance in order to indemnify and keep indemnified the directors and officers against all actions, suits, claims and liabilities which may properly arise, occur or be sought against them in connection with the Company.

**Board Evaluation and Development**

The review and evaluation include an assessment of the Board's composition and independence, performance and effectiveness of the Board's responsibilities, maintenance and implementation of the Board's governance, relationship with management as well as an evaluation of its sub-committees.

An internal evaluation of the Board is conducted on an annual basis by way of a questionnaire whereby each Board member provides his feedback. The Corporate Governance Committee then evaluates such feedback and makes appropriate recommendations to the Board.

Directors are not evaluated on an individual basis given that the directors forming part of the Board have been appointed in light of their wide range of skills and competences acquired through their several years of working experience and professional background.

**Statement of Remuneration Philosophy**

The Company's remuneration philosophy is geared towards encouraging optimal performance on the part of every employee within the organization by rewarding efforts and merits as fairly as possible.

With regards to the directors, including Executive Director, their remuneration, on an aggregate basis, is taken up at the Corporate Governance Committee and ratified by the Board of Directors. The Executive Director is entitled to an annual performance bonus based on the financial results of the Company as well as on his individual contribution thereto.

Directors are remunerated by way of attendance fees for each Board meeting attended by them. The Chairman is remunerated in a similar manner but at higher rates. In addition, directors who are also sub-committee members receive attendance fees for such meetings and the sub-committees' chairmen are remunerated at higher rates. Committee fees are approved by the Board upon the recommendation of the Corporate Governance Committee.

The Company strongly believes that the achievements and merits of high performing employees should be recognised and rewarded. In that respect, Management and staffs are also assessed for the payment of an annual performance bonus.

The remuneration practices and salary levels of all employees are reviewed annually in the light of changes in the economy and in the cost of living, in the job content and the market in which the Company operates.

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**Directors' Attendance Fees**

For the financial year ended 30 June 2024, the Executive, Non-Executive and Independent Directors were entitled to attendance fees totalling Rs.3,030,250/- (2023: Rs. 3,023,050/-)

Remuneration of directors has not been disclosed on an individual basis due to the commercial sensitivity of the information. We however wish to highlight that the individual remuneration of directors is however disclosed upon filing of the Annual Report on the XBRL platform, thus complying with the requirements of the Companies Act 2001.

**Directors' interests and dealings in shares**

The directors' interests in the capital of the Company as at 30 June 2024, were as follows:

<b>Directors</b>	<b>Direct Shareholding</b>	<b>Indirect Shareholding</b>
AH-CHUEN JUBAN Valerie	Nil	1.67%
AH YOONG Sydney	Nil	Nil
LAM YAN FOON Ah-Lan (Ceased on 26.10.2023)	Nil	0.15%
LIM TENG CHONG James	Nil	0.28%
LEE CHOONG TONG Pascal	Nil	Nil
TSEUNG SUM FOI Joseph Anthony	Nil	0.62%

**PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL**

**Risk Management**

Risk Management is the process by which the Company identifies, monitors and treats its exposure to such risks which may arise from time to time from its business operations and environment.

The Company has identified its risks areas and has put in place a clear framework geared at achieving the Company's risk controls.

Risks are managed within an established three lines of defence namely through:

- Management Control;
- Internal Audit and Compliance Audit who independently review, monitor and appraise compliance with policies and procedures as well as with the industry's legal and regulatory requirements respectively; and
- The Audit and Risk Committee.

While the Board is responsible for the overall risk management and internal control systems, the monitoring of the Company's risk management process has been delegated to the Audit and Risk Committee as per the terms of reference set out in its Charter. The Internal Auditor ensures that the system of internal control is operating to an acceptable standard and that the risk management policies in place are adequate in managing risks in a manner acceptable to the Board.

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**Risk Management (Continued)**

To be in line with the new legislations set out by the Financial Services Commission with respect to the Code on the Prevention of Money Laundering and Terrorist Financing in relation to Money Laundering, the Company has adopted several policies and implemented various procedures during the year under review. They are amongst others the Code of Business Conduct, Conflict of Interest, Whistle Blowing Policy, AML/CFT Policy, Customer Complaint Policy and Risk Assessment Policy.

CAYS Associates in its capacity as the Company's Internal Auditor, has the responsibility to constantly assess the quality of the business controls through the conduct of risk-based operational audits, inspection of financial reporting controls and compliance audits. Compfidus Ltd, Compliance Auditor, conducts independent checks to ensure that the Company comply with AML/CFT Policy. The findings of the internal, compliance and external audits are reported at the Audit and Risk Committee, which is generally held on a quarterly basis. A representative of CAYS Associates and of Compfidus Ltd are invited to attend meetings of the Audit and Committee as and when necessary.

**Risk Management Framework**

Risk is managed at various levels of the organisation. The Board establishes a governance structure as detailed below identifying any changes to the risk culture into the organisation and ensuring that management takes all steps required to address those changes.

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities and is responsible for any other functions as may be designated by the Board. The Audit and Risk Committee reports to the Board in respect of the management control and independent assurance provided by Internal Audit and Compliance Audit.

**Management Control**

The management takes ownership, responsibility and accountability for identifying and managing risk and control. They are responsible to:

- Identify, manage, mitigate and report on different risks in line with established risk management framework;
- Ensure operations are conducted within agreed policies and risk limits; and
- Report and escalate risk where appropriate.

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**Management Control (Continued)**

The Company recognises different risk categories namely liquidity, compliance, credit, interest rate, operational, information technology and reputational. The extent of their risk exposure and how they are treated are described as follows:

<b>Risks</b>	<b>Exposure</b>	<b>Risk Management Policies</b>	<b>Residual Risk</b>
Liquidity Risk	Risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost	The Company manages the liquidity risk by; <ul style="list-style-type: none"> <li>(i) monitoring daily cash flow requirements</li> <li>(ii) manage short term and long term cash flows.</li> <li>(iii) Monitoring of the ratios such as DSCR, Current Ratio.</li> </ul>	High
Compliance Risk	Failure or inability to comply in accordance with appropriate laws, regulations and codes set by regulatory body and Company's internal control policies.	The Company recognises its responsibility to conduct business in accordance with the relevant laws and regulations. It also ensures that management and staffs compliance to Anti-Money Laundering and Counter Financing of Terrorism guidelines or any policies and regulations impacting on operations.	Medium
Credit Risk	Risk of loss resulting to the inability or unwillingness of customers to fulfil its financial obligations.	The Company recognizes the significant impact of such risks especially in the prevailing economic and market uncertainty and has accordingly put in place internal control policies as to manage such risks.	Medium
Interest Rate Risk	Risks relates to the fluctuations in interest rates which has a significant adverse effect on the financial condition of the company.	We are mostly dependent on borrowing from banks to provide leasing facilities. Any adverse fluctuation in the Key Rate will have a subsequent impact in our profitability. In order to remain competitive in the leasing sector, the Company regularly revises the interest rate on lease application and we provide both fixed and variable interest rates.	Medium
Operational risk	Failure to achieve improved and effective work systems and internal processes and service standard that may lead to financial losses and customer dis-satisfaction.	Organisational structures, policies and control procedures are regularly reviewed and updated as necessary to minimize the exposure to operational risks.	Medium

**EXPERT LEASING LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**Management Control (Continued)**

Information Technology (“IT”) risk	IT Risks relate to the possibility that a particular threat will negatively impact on information system by exploiting a particular vulnerability. The threat can be in the form of hackers both internal and external or computer viruses. The vulnerabilities could be poor IT infrastructure including hardware, weak firewalls, a lack of redundant servers and data storage technologies.	The Company promotes a security-conscious culture and has implemented specific IT security policies and procedures which include IT threat and risk assessment and IT Access Control policies. The Company also regularly evaluates its IT systems and network for threats and vulnerabilities to protect its Information Technology assets and reduce the Company’s risk.	Low
Reputational risk	Risk of loss arising from adverse perception of the corporate image by the customers, counterparties and stakeholders.	The operational systems and controls are put in place to mitigate this risk. The Company also invests significantly in customer care training at all levels of the organisation.	Low

**PRINCIPLE SIX – REPORTING WITH INTEGRITY**

**Financial Reporting**

The directors of the Company affirm their responsibilities for preparing the Annual Report and Financial Statements of the Company. The Board also considers that the Annual Report and the Financial Statements of the Company, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company’s financial position, performance and outlook. The Annual Report is published on the Company’s website.

**Environmental Issues**

The Company is involved in the provision of services and its operations do not materially impact on the environment. Nevertheless, it aims at improving its ecological footprint through a more responsible use of resources and comply with the existing legislative and regulatory framework.

**Health and Safety**

The wellbeing of our employees is of great importance. This year, staff of the Company, as part of the ABC Group, have participated in the health week. Activities included were medical check up, sight test and personal stress therapy amongst others.

The Company has implemented a health and safety framework to control such risks effectively and to prevent accidents in the workplace. Fire drills are conducted at least once a year and the newly recruited staffs are briefed on the fire evacuation procedures.

**EXPERT LEASING LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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**Social Reporting**

A fair, equitable and transparent process is put in place so as to promote equal opportunities within the Company. Staff are encouraged to undertake further studies to continuously strengthen their skill level and early release from work, as applicable, are granted in this respect.

The Company participates in Youth Employment Program where young graduates are recruited, trained and upon satisfactory completion may be offered permanent employment by the Company. Our work force currently comprises of 62.50% female staffs. Promotion is based on meritocracy and performance of each employee. An appraisal process is in place in that respect.

**Corporate Social Responsibility**

Established in 2013 and named after the founder of ABC Group of Companies, the Sir Jean Etienne Moilin Ah-Chuen Foundation (referred to as “the Foundation”) oversees the Group’s Corporate Social Responsibility (CSR) programme, which focuses on four key areas: Community Empowerment, Education, Health & Sports, and Environment. For the financial year 2023/24, the Foundation allocated over Rs. 3.6 million in CSR funding, primarily supporting Non-Governmental Organisations (NGOs) and the community.

**Community Empowerment**

The Foundation remains deeply committed to combating poverty, collaborating closely with longstanding NGO partners to assist vulnerable groups and facilitate their social integration. Consequently, the Foundation has renewed its commitment to Lovebridge to support 400 families living below the poverty line, which represents approximately 1,500 individuals. Additionally, it supported Mouvement Pour le Progrès de Roche Bois in providing social and empowerment assistance to 20 out-of-school children and their parents, and to Caritas Ile Maurice for the School Feeding Project, which targets around 50 school children from vulnerable families. Moreover, school supplies were offered to 30 underprivileged children via Caritas Roche Bois following a call for donation organised across ABC Group,

Other associations that benefited from the Foundation’s support include SAFIRE, SOS Children’s Village, Couvent Mère Teresa, First Act is To Help (FAITH) and Mo’Zar for its Mo’Zar on the Road project.

Furthermore, during a Christmas event held in December 2023, approximately 150 underprivileged children received toys and school stationery packs. This initiative was made possible through the collaborative efforts of the Group's Staff Welfare Committees, employees, and partner NGOs, including Caritas Roche-Bois, Caritas Tranquebar, Mouvement Pour Le Progrès de Roche-Bois, and Kifer Pa Mwa.

**EXPERT LEASING LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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**Education**

Education stands as a cornerstone for the future of our youth and our nation. In this regard, the Foundation has extended its assistance to financially challenged students, enabling them to pursue technical courses at Collège Technique St Gabriel by granting them scholarships. This institution, a longstanding partner of both the Foundation and ABC Group of Companies, also received support during the past year, namely for the construction of the upcoming Lycée Polytechnique.

Furthermore, the Foundation has granted numerous scholarships through the Sir Jean Etienne Moilin Ah-Chuen Foundation Scholarship Scheme. This initiative supports full-time students from disadvantaged backgrounds, allowing them to pursue tertiary education at public universities in Mauritius.

Additionally, the Foundation continued its collaboration with APEIM, an NGO supporting parents of children and young adults with intellectual disabilities, and maintained its partnership with Terrain for Interactive Pedagogy Through Arts (TIPA), supporting their interactive pedagogy program in ZEP schools.

**Health & Sports**

Sports play a pivotal role in breaking down barriers and in fostering inclusion and social integration. In line with this belief, the Foundation has supported Mauritian athletes, enabling them to showcase their talents on the global stage over the years.

In this regard, the Foundation reaffirmed its commitment to para-athlete Noemi Alphonse, who made history by becoming the 2024 World Champion in the 100m T54 category and the World Vice-Champion in the 400m T54 category, by renewing support towards Magic Club Quatre Bornes.

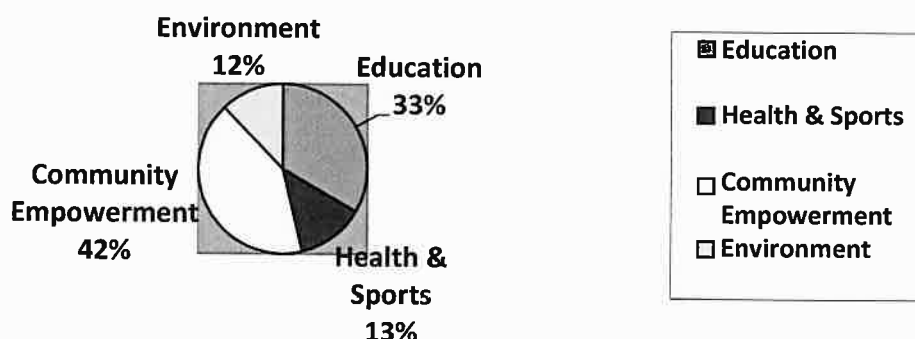
**Environment**

Preserving the environment is a collective responsibility that requires unified action from all individuals. In this vein, the Foundation has renewed its dedication to the Rodrigues Conservation Project, an initiative overseen by the Mauritian Wildlife Foundation (MWF), that aims at protecting the distinctive flora and fauna native to Rodrigues Island.

Furthermore, the Foundation has supported We-Recycle, an NGO specialized in gathering and processing PET plastic bottle waste for recycling purposes.

**EXPERT LEASING LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

Allocation per area of intervention



**PRINCIPLE SEVEN – AUDIT**

**Internal Audit**

Internal audit is an independent, objective assurance and consulting activity designed to evaluate the quality and effectiveness of internal controls over financial reporting. Audit and Risk Committee Members receive reports from the internal audit department on audit plans, methods, and results of auditing quarterly or whenever necessary.

To enhance the reliability of the financial reporting of Expert Leasing Ltd, the internal audit, and accounting audit by Independent External Auditors help in conducting an effective and efficient audit through meetings held periodically and as necessary to share information through discussion on audit plans and results.

The Company has outsourced the internal audit function of the Company to CAYS LLP. The internal audit department operates within the framework of the Terms of Reference of the Audit and Risk Committee and in line with its approved audit plan. The Internal Auditor reports to the Audit and Risk Committee.

The internal audit function is independent from operations and finance, and is responsible to:

- Highlight control weakness and inefficiencies to management for corrective measures
- Provide independent testing & verification of efficacy of corporate standard and business line compliance; and
- Provide assurance that the risk management process is functioning as designed

Annual audit plans are presented in advance to the Committee and are based on an assessment of risk areas performed by the internal auditor based on his discussions with senior management and the Executive Director of the Company and his own independent appreciation of the key risks the Company is exposed to.

The audit plan covers the areas of risks that may arise in the business activities of the Company. The senior officers were required to identify and assess the significant risks to the Company with the support of the executive director and the internal auditor.

**EXPERT LEASING LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**Internal Audit (Continued)**

Internal Audit reports submitted by CAYS LLP are circulated to the management and to the members of the Audit and Risk Committee. During the year under review, the internal audit's focus included the following risk areas:

**1. Insurance Renewal & Risk Profiling:**

The audit reviewed the adequacy of insurance renewal processes, compliance with client risk profiling, and controls for KYC document collection, ensuring all met regulatory and contractual requirements.

**2. Backup and Recovery:**

The audit assessed backup and recovery policies, compliance with disaster recovery procedures, and the physical security of backup media to ensure business continuity during disruptions.

**3. Credit Assessment & Rating:**

The audit evaluated credit assessment controls, identified weaknesses, and recommended actions to enhance the credit rating processes.

Internal Audit reports together with follow up actions are presented on a quarterly basis to the Audit and Risk Committee. Management is responsible for acting on the findings of internal audit and implementing corrective actions in respect of the identified control weaknesses.

Thereafter, internal audit reviews management's actions in respect of the recommendations made and reports back on the effectiveness of the response through progress implementation reports. The internal audit process and management's response to the findings contribute to a continuous improvement culture in the Company's risk management approach.

Similarly, findings and follow up actions of Compliance Audits are presented on a quarterly basis to the Audit and Risk Committee.

**Audit**

The role of the Audit and Risk Committee is defined under Principle 2.

**External Audit**

The Audit and Risk Committee is responsible for reviewing, with the External Auditors, before the audit commences, the auditors' letter of engagement, the terms, nature and audit scope and approach and ensure no unjustified restrictions or limitations had been placed on the scope. The External Auditors have direct access to the Committee should they wish to discuss any matters privately.

**PRINCIPLE EIGHT – RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS**

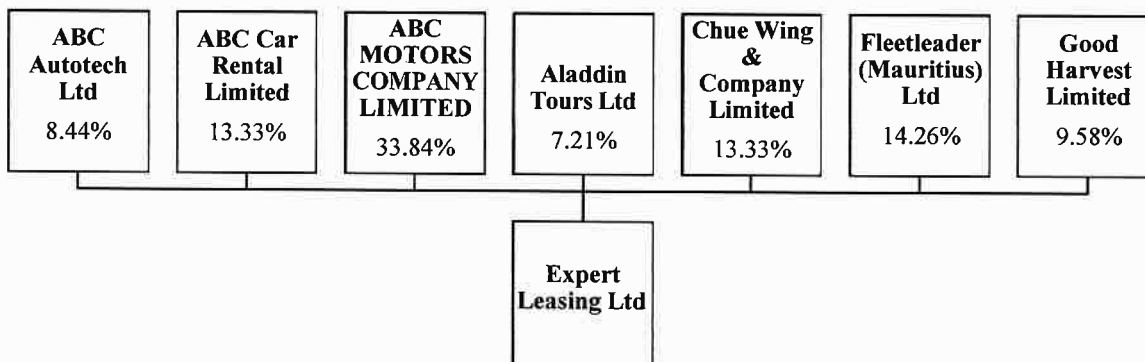
**Shareholders**

As at 30 June 2024, the stated capital of the Company was made of 74,287 ordinary shares of no par value each amounting to Rs.74,287,059 and the voting shareholding structure was as follows:

**EXPERT LEASING LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**Shareholders (Continued)**

**List of shareholders holding more than 5% in the voting share capital of the Company as at 30 June 2024**



**Communication with Shareholders and Stakeholders**

The Board of Directors places great importance on transparency and optimal disclosure to Shareholders and hence ensures that Shareholders are kept informed on matters affecting the Company.

**Dividend Policy**

Payment of dividends is subject to the profitability of the Company, its cash flows and its capital expenditure requirements.

A Certificate of Solvency is signed by all the directors in accordance with the requirements of the Companies Act 2001 whenever a dividend is declared by the Board.

No dividend was paid during the year under review (2023: Nil).

**Share Option Plans**

There are no share option plans.

**Share Price Information**

The Company's ordinary share capital consists of 74,287 unquoted ordinary shares of no par value amounting to Rs.74,287,059.

**Management Agreement**

The Company has not entered into any management agreement with third parties.

**Related Party Transactions**

For the related party transactions, please refer to Note 21 of the Financial Statements.

**EXPERT LEASING LTD  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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**Website**

The website of the Company has been designed and necessary disclosures as stipulated in the Code are posted as and when finalised.


**Shareholders' Agreement**


There is currently no shareholders' agreement affecting the governance of the Company by the Board.

**Calendar of Events**

Statement of Financial Position Date	30 June 2024
Annual Meeting of Shareholders	October 2024

Approved by the Board of Directors on 24 October 2024 and signed on its behalf by

  
-----  
Pascal Lee Choong Tong  
Chairman of the  
Corporate Governance Committee

  
-----  
ABC Professional & Secretarial Services Ltd  
Company Secretary  
*Per Cindy Larose, ACIS*

**EXPERT LEASING LTD  
STATEMENT OF COMPLIANCE  
FOR THE YEAR ENDED 30 JUNE 2024**

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(Section 75 (3) of the Financial Reporting Act)

**Name of Public Interest Entity (PIE): Expert Leasing Ltd**

**Reporting Period: Year ended 30 June 2024**

We, the directors of Expert Leasing Ltd, confirm that to the best of our knowledge, the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance 2016 in all material respects.

Date: 24/10/2024



.....  
Joseph Anthony Tseung Sum Foi  
Chairman



.....  
James Lim Teng Chong  
Executive Director

**EXPERT LEASING LTD  
OTHER STATUTORY DISCLOSURES  
FOR THE YEAR ENDED 30 JUNE 2024**

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***Nature of business***

The principal activity of the Company is to provide leasing facilities.

***Particulars of entries in the Interests register***

No entry was made in the Interests Register of the Company.

***Directors' Service Contracts***

None of the Directors has a service contract with the Company.

***Directors' Remuneration***

During the financial year ended 30 June 2024, the total emoluments paid to executive, non-executive and independent directors were Rs. 3,030,250/- (2023: Rs. 3,023,050).

***Directors of the Company***

The directors of the Company as at 30 June 2024 were as follow:

Mr. Joseph Anthony Tseung Sum Foi (*Chairman*)  
Mr. James Lim Teng Chong  
Mrs. Valerie Ah-Chuen Juban  
Mr. Sydney Ah Yoong  
Mr. Pascal Lee Choong Tong  
Mr. Ah-Lan Lam Yan Foon (*Ceased as director as from 26.10.2023*)

***External Audit Fees***

Fees paid and payable to External Auditor of the Company, for the financial year ended 30 June 2024 were as follows:

	<b>2024</b>	<b>2023</b>
	<b>Rs.</b>	<b>Rs.</b>
Audit Services	<b>315,000</b>	270,000
Other Services	<b>20,000</b>	15,000
Total	<b>335,000</b>	285,000

Approved by the Board of Directors on 24/10/2024 and signed on its behalf by:

Joseph Anthony Tseung Sum Foi  
Chairman

James Lim Teng Chong  
Executive Director

**EXPERT LEASING LTD**  
**SECRETARY'S CERTIFICATE**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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(pursuant to section 166(d) of the Mauritius Companies Act 2001)

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended 30 June 2024, all such returns as are required of the Company under Mauritius Companies Act 2001.



.....  
ABC Professional & Secretarial Services Ltd  
Company Secretary  
*Per Cindy Larose, ACIS*

Date: 24/10/2024

**EXPERT LEASING LTD**  
**DIRECTORS' STATEMENT OF RESPONSIBILITIES**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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The directors are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Financial Reporting Act 2004, International Financial Reporting Standards (IFRS) and Mauritius Companies Act 2001.

Company law requires the directors to prepare financial statements for the year ended 30 June 2024 which give a true and fair view of the financial position of the Company and the financial performance and cash flows of the Company for that year. In preparing the annual financial statements, the directors have:

- prepared the financial statements on a going-concern basis;
- maintained adequate accounting records;
- made judgements and estimates that are reasonable and prudent;
- selected suitable accounting policies and applied them consistently;
- stated whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements; and
- safeguarded the assets of the Company by maintaining accounting and internal control systems that are designed to prevent and detect fraud and errors.

Approved by the Board of Directors on 24/10/2024 and signed on its behalf by:



Joseph Anthony Tseung Sum Foi  
Chairman



James Lim Teng Chong  
Executive Director

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholders of Expert Leasing Ltd*

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### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Expert Leasing Ltd (the "Company"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements on pages 31 to 71 give a true and fair view of the financial position of the Company as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004.

#### *Basis for Opinion*

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

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

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company'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.

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



## **INDEPENDENT AUDITOR'S REPORT**

*To the Shareholders of Expert Leasing Ltd*

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### **Report on the Audit of the Financial Statements (Continued)**

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

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

This opinion has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purposes.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITOR'S REPORT**

*To the Shareholders of Expert Leasing Ltd*

**Report on the Audit of the Financial Statements (Continued)***Other Information*

The directors are responsible for the other information. The other information comprises the corporate profile and information, other statutory disclosures, secretary's certificate, and directors' statement of responsibilities.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

We have nothing to report in this regard.

**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 capacities as auditor and tax advisor.

We have obtained all the 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.

*Financial Reporting Act 2004*

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance (the "Code") as disclosed in the corporate governance report and on whether the disclosure is consistent with the requirements of the Code.

The directors have given explanations on the requirements of the Code which have not been complied with.

In our opinion, except for the areas of non-application of the Code for which the directors have given a satisfactory explanation, the disclosure in the financial statements is consistent with the requirements of the Code.

**Baker Tilly**

Date: 24 October 2024

**Sin C. LI, CPA, CGMA**  
Licensed by FRC

**EXPERT LEASING LTD**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024**

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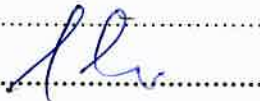
	Notes	2024 Rs	2023 Rs
<b>Assets</b>			
Plant and equipment	3(a)	33,577,162	33,053,751
Intangible assets	3(b)	43,125	36,584
Right-of-use assets	3(c)	981,820	266,116
Net finance lease receivables	4	131,504,765	143,652,245
<b>Total non-current assets</b>		<b>166,106,872</b>	<b>177,008,696</b>
Net finance lease receivables	4	57,702,978	55,025,934
Trade and other receivables	5	1,539,836	1,113,952
Cash and cash equivalents	6	231,240	5,000
<b>Total current assets</b>		<b>59,474,054</b>	<b>56,144,886</b>
<b>Total assets</b>		<b>225,580,926</b>	<b>233,153,582</b>
<b>Capital and reserves</b>			
Stated capital	7	74,287,059	70,160,000
Retained earnings		13,568,422	16,236,516
<b>Total equity</b>		<b>87,855,481</b>	<b>86,396,516</b>
<b>Liabilities</b>			
Borrowings	8	67,087,565	58,279,527
Deferred tax liabilities	9 (c)	1,543,200	1,458,476
Retirement benefit obligations	10	303,908	359,964
Trade and other liabilities	11	1,193,411	1,330,501
Lease liabilities	12	664,172	-
<b>Total non-current liabilities</b>		<b>70,792,256</b>	<b>61,428,468</b>
Bank overdraft	6	27,625,253	34,901,535
Lease liabilities	12	317,648	295,828
Trade and other liabilities	11	12,124,414	25,206,179
Borrowings	8	26,854,242	24,898,172
Tax liability	9 (d)	11,632	26,884
<b>Total current liabilities</b>		<b>66,933,189</b>	<b>85,328,598</b>
<b>Total liabilities</b>		<b>137,725,445</b>	<b>146,757,066</b>
<b>Total equity and liabilities</b>		<b>225,580,926</b>	<b>233,153,582</b>

These financial statements have been approved and authorised for issue by the Board of Directors on 24/10/2024

Name

Signature

Mr. Joseph Anthony Tseung Sum Fai  
 Mr. James Lim Teng Chong

The notes set out on pages 35 to 71 form part of these financial statements.  
 Auditor's report is on pages 28 to 30

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 Rs	2023 Rs
Interest income	14(a)	16,409,935	16,062,516
Interest expense	13	(7,873,245)	(7,234,716)
		<b>8,536,690</b>	<b>8,827,800</b>
Lease income on operating leases	3(a)	9,765,340	9,624,301
<b>Operating income</b>		<b>18,302,030</b>	<b>18,452,101</b>
Other operating income	14(b)	1,971,582	1,979,233
<b>Net operating income</b>		<b>20,273,612</b>	<b>20,431,334</b>
Net allowance on financial assets	4, 5	467,282	321,442
Personnel expenses	15	(5,720,129)	(5,955,081)
Depreciation and amortisation	3	(8,026,062)	(7,949,510)
Other operating expenses	16	(5,238,643)	(5,083,327)
		<b>(18,517,552)</b>	<b>(18,666,476)</b>
<b>Profit before taxation</b>		<b>1,756,060</b>	<b>1,764,858</b>
Taxation	9(a)	(215,873)	(1,010,947)
<b>Profit for the year</b>		<b>1,540,187</b>	<b>753,911</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of retirement benefit obligations	10(b)	(81,222)	254,034
<b>Other comprehensive income for the year</b>		<b>(81,222)</b>	<b>254,034</b>
<b>Total comprehensive income for the year</b>		<b>1,458,965</b>	<b>1,007,945</b>

The notes set out on pages 35 to 71 form part of these financial statements.  
Auditor's report is on pages 28 to 30

**EXPERT LEASING LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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	Note	Stated capital Rs	Retained earnings Rs	Total equity Rs
<b>At 1 July 2022</b>		70,160,000	15,228,571	85,388,571
<i>Total comprehensive income</i>				
Profit for the year		-	753,911	753,911
Other comprehensive income for the year		-	254,034	254,034
<b>At 30 June 2023</b>		<u>70,160,000</u>	<u>16,236,516</u>	<u>86,396,516</u>
<b>At 1 July 2023</b>		<b>70,160,000</b>	<b>16,236,516</b>	<b>86,396,516</b>
<i>Transactions with owners of the Company</i>				
Issue of Bonus Shares	7	<b>4,127,059</b>	<b>(4,127,059)</b>	-
<i>Total comprehensive income</i>				
Profit for the year		-	1,540,187	1,540,187
Other comprehensive income for the year		-	<b>(81,222)</b>	<b>(81,222)</b>
<b>At 30 June 2024</b>		<u><b>74,287,059</b></u>	<u><b>13,568,422</b></u>	<u><b>87,855,481</b></u>

The notes set out on pages 35 to 71 form part of these financial statements.  
Auditor's report is on pages 28 to 30

**EXPERT LEASING LTD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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	Notes	2024	2023
		Rs	Rs
<b>Cash flows from operating activities</b>			
Profit before taxation		1,756,060	1,764,858
<i>Adjustments for:</i>			
Depreciation and amortisation	3	8,026,062	7,949,510
Loss allowance	4,5	(467,282)	(321,442)
Interest expense	13	7,873,245	7,234,716
Interest income	14(a)	(16,409,935)	(16,062,516)
Profit on disposal of plant and equipment	14(b)	(337,743)	(333,879)
Retirement benefit obligations	10(b)	(137,278)	228,577
<b>Cash generated from operating activities</b>		<b>303,129</b>	<b>459,824</b>
<b>Movements in working capital:</b>			
(Increase) /Decrease in trade and other receivables		(425,416)	417,636
(Decrease)/ increase in trade and other liabilities		(13,218,855)	6,196,894
<b>Cash (used in) / generated from operations</b>		<b>(13,341,142)</b>	<b>7,074,354</b>
Interest paid	13	(7,873,245)	(7,234,716)
Interest received	14 (a)	16,409,935	16,062,516
Income tax and CSR paid 2% return		(146,401)	(1,272,206)
<b>Net cash (used in) / generated from operating activities</b>		<b>(4,950,853)</b>	<b>14,629,948</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment and intangible asset		(11,231,928)	(13,011,117)
Investment in finance leases	4(a)	(50,387,000)	(85,210,600)
Proceeds from disposal of plant and equipment		3,279,773	4,376,930
Lease repayments received from finance leases	4(a)	60,324,250	68,008,679
<b>Net cash used in investing activities</b>		<b>1,985,095</b>	<b>(25,836,108)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	8	45,364,700	2,997,093
Repayment of borrowed funds	8	(34,600,592)	(11,903,683)
Repayment of lease liability		(295,828)	(265,313)
<b>Net cash generated / (used in) from financing activities</b>		<b>10,468,280</b>	<b>(9,171,903)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>7,502,522</b>	<b>(20,378,063)</b>
Bank Overdraft at beginning of year	6	(34,901,535)	(16,378,283)
Cash and cash equivalents at beginning of year	6	5,000	1,859,811
<b>Cash and Cash equivalents at end of year</b>	6	<b>(27,394,013)</b>	<b>(34,896,535)</b>

The notes set out on pages 35 to 71 form part of these financial statements.  
Auditor's report is on pages 28 to 30

**1. General information**

Expert Leasing Ltd (the "Company") was incorporated on 21 January 2010. The Company's principal activity is to provide leasing solutions, both finance and operating, for the use or purchase of vehicles or equipment.

Expert Leasing Ltd is a public company incorporated and domiciled in the Republic of Mauritius. Its registered office is at ABC Centre, Military Road, Port Louis, Mauritius.

**2.1 Basis of preparation**

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

**(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004.

**(b) Basis of measurement**

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

**(c) Functional and presentation currency**

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

**2.2 Material accounting policies**

**(a) Leases**

*The Company as lessee*

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of early termination fees for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

## **2.2 Material accounting policies (Continued)**

### **(a) Leases (Continued)**

#### *The Company as lessee (continued)*

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease term has changed or there is a significant event or change in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfer of ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Plant and Equipment' policy.

#### *The Company as lessor*

The Company enters into lease agreements as a lessor with respect to its motor vehicles. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**2.2 Material accounting policies (Continued)**

**(a) Leases (Continued)**

*The Company as lessor (continued)*

Amounts due from lessees under finance lease are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

**(b) (i) Plant and equipment**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and to bringing the asset to a working condition for its intended use.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment.

The depreciation rates for the current and comparative years are as follows:

• Motor Vehicles (under operating leases)	up to 7 years
• Computer Equipment	3 years
• Office furniture	10 years
• Motor Vehicles (owned)	5 years

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**(b) (ii) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is charged to profit or loss on a straight-line basis. The annual amortisation rate used for the purpose is as follows:

Software licences 33%

Amortisation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

## **2.2 Material accounting policies (Continued)**

### **(c) Financial instruments**

Financial assets and financial liabilities are recognised in the 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, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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 loss) are added to or deducted from the fair value of the financial assets or 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.

#### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

**2.2 Material accounting policies (Continued)**

**(c) Financial instruments (continued)**

*Financial assets (continued)*

*Amortised cost and effective interest method (continued)*

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivable and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for lease receivables and trade receivables. The expected credit losses on these financial assets are based on the Company's historical credit loss experience, adjusted for the existence of collateral and other general economic conditions.

*(i) Definition of default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors in full.

## 2.2 Material accounting policies (Continued)

### (c) Financial instruments (continued)

#### *Financial assets (continued)*

#### *Impairment of financial assets (continued)*

##### *(i) Definition of default (continued)*

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *(ii) Credit impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) Significant financial difficulty of the issuer or the borrower;
- (b) A breach of contract, such as a default or past due event;
- (c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) The disappearance of an active market for that financial asset because of financial difficulties.

##### *(iii) Write-off policy*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### **Measurement and recognition of expected credit losses**

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

## **2.2 Material accounting policies (Continued)**

### **(c) Financial instruments (continued)**

#### *Financial assets (continued)*

#### **Measurement and recognition of expected credit losses (continued)**

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

#### *The Probability of Default (PD)*

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

#### *The Exposure at Default (EAD)*

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

#### *The Loss Given Default*

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

#### *Overview of the ECL principles*

Forward looking information in its ECL models, the Company relies on forward looking information as economic inputs which are GDP growth, inflation rate and unemployment rate. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

#### *Collateral valuation*

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible, in terms of the repossession of the car. Collateral, unless repossessed, is not recorded on the Company's statement of financial position. However, the fair value of collateral affects the calculation of ECLs.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral.

The Company applied a simplified approach in calculating ECLs on its net finance lease receivables and trade receivables in terms of operating leases. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

## **2.2 Material accounting policies (Continued)**

### **(c) Financial instruments (continued)**

#### **Financial liabilities and equity**

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

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

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

##### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not:

- (i) contingent consideration of an acquirer in a business combination ;
- (ii) held-for-trading ; or
- (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

##### *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## **2.2 Material accounting policies (Continued)**

### **(d) Impairment of non-financial assets**

The carrying amounts of 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. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable

The recoverable amount of an asset 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 impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised.

### **(e) 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### **(f) Taxation**

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and they probably will not reverse in the foreseeable future;
- and taxable temporary differences arising on the initial recognition of goodwill.

**2.2 Material accounting policies (Continued)**

**(f) Taxation (continued)**

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 for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be recognised simultaneously.

*Value Added Tax*

Revenues, expenses and assets are recognised net of the amount of value added taxes except:

- where the value added taxes incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

*Corporate Social Responsibility (CSR)*

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility is regarded as a tax and is therefore subsumed with the income tax recognised in the profit loss and the income tax liability on the statement of financial position.

The CSR charge for the current year is measured at the amount expected to be paid to Mauritian tax authorities. The CSR rate used to compute the amount are those charged or substantively enacted by the reporting date.

**(g) Retirement benefit obligations**

*Retirement benefit*

The present value of retirement benefit obligations relates to gratuities on retirement in respect of Workers Rights Act 2019. The gratuities at the end of the reporting period is recognised as non-current liability.

For retirement benefit obligations, remeasurement, comprising of actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Current service cost and net interest cost is recognised in profit or loss.

**2.2 Material accounting policies (Continued)**

**(g) Retirement benefit obligations (continued)**

*State pension plan*

Contributions to the National Pension Scheme are expensed in profit or loss in the period in which they fall due.

**(h) Revenue recognition**

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

*Other income*

Other income includes management fees and unearned interest which is recognised on an accrual basis.

**(i) Related parties**

Related parties are individuals and companies where the individuals or companies have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the management entity that provide key management personnel services to the Company. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related party can also arise if the entity is a past employment benefit plan for the employee of the reporting entity.

**(j) Expenses**

All expenses are recognised in profit or loss on an accrual basis.

**(k) Functional currency**

*Functional and presentation currency*

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the Company are expressed in Mauritian Rupees ("Rs"), which is the functional currency of the Company, and the presentation currency for the financial statements.

*Transactions and balances*

Transactions in foreign currencies are translated to Mauritian Rupees at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities outstanding at year end are translated to Mauritian Rupees at the rates of exchange ruling at the reporting date. Exchange differences arising on the transaction of assets and liabilities are dealt with in profit or loss.

### **2.3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2.2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **2.3.1 Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

##### *Useful lives of plant and equipment*

Plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

#### **2.3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### *Calculation of loss allowance*

The Company recognises a loss allowance for expected credit losses on net finance lease receivables and trade receivables. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

## **2.3 Critical accounting judgements and key sources of estimation uncertainty (Continued)**

### **2.3.2 Key sources of estimation uncertainty (Continued)**

#### *Discount rate used to determine the carrying amount of retirement benefit obligations*

The determination of the Company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to the mid rates of the Mauritian government bond market proposed by Mauritius Commercial Bank Ltd as at 30 June 2024. The sensitivity of those amounts to changes in discount rate is disclosed in note 10.

### **2.4.1 Application of new and revised International Financial Reporting Standards (IFRSs)**

Up to the date of issue of these financial statements, the IASB has issued the following amendments which are applicable to the Company and effective for annual periods beginning on 01 July 2023:

- Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17)
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments - Disclosure of Accounting Policies)
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)
- IAS 12 Income Taxes (Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
- IAS 12 Income Taxes (International Tax Reform - Pillar Two Model Rules)

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on 01 July 2023.

#### ***Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17)***

The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. An entity that elects to apply the amendment applies it when it first applies IFRS 17.

The main amendment in Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17) is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

**2.4.1 Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)**

*Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17) (Continued)*

There are no changes to the transition requirements in IFRS 9.

An entity that elects to apply the amendment applies it when it first applies IFRS 17.

*IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments - Disclosure of Accounting Policies)*

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.

In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 July 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

*IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)*

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, whilst changes in accounting policies are generally applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after 1 July 2023.

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

*IAS 12 Income Taxes (Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

#### 2.4.1 Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

##### IAS 12 Income Taxes (International Tax Reform - Pillar Two Model Rules)

The amendments align the standard's requirements with similar amendments to IAS 12 Income Taxes issued in May 2023. The application of the exception and disclosure of that fact is effective immediately, the other disclosure requirements are effective for annual reporting periods beginning on or after 1 July 2023.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS (Pillar Two model rules). In March 2022, the OECD released commentary and illustrative examples that elaborate on the application and operation of the rules and clarify

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The stakeholders emphasised an urgent need for clarity given the imminent enactment of tax law to implement the rules in some jurisdictions. In response to stakeholder concerns, the IASB proposed amendments to IAS 12 Income Taxes. It issued Exposure Draft International Tax Reform—Pillar Two Model Rules (Proposed Amendments to IAS 12) on 9 January 2023. Given the urgent requirement for clarity, a shorter comment period of 60 days was provided. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules on 23 May 2023.

The Amendments introduce a temporary exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

The Company has applied the above statements and interpretations and there are no major impact on the financial statements of the Company.

#### 2.4.2 Standards and interpretations issued and not yet effective for the financial year ended 30 June 2024

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them.

IFRS7	Financial Instruments: Disclosures (Amendments regarding supplier finance arrangements) (effective 1 January 2024)
IFRS 16	Leases (Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions) (effective 1 January 2024)
IAS 1	Presentation of Financial Statements (Amendments - Classification of Liabilities as Current or Non-current) (effective 1 January 2024)
IAS 1	Presentation of Financial Statements (Amendments - Non-current Liabilities with Covenants) (effective 1 January 2024)
IAS 7	Statement of Cash Flows (Amendments regarding supplier finance arrangements) (effective 1 January 2024)

2.4.2 Standards and interpretations issued and not yet effective for the financial year ended 30 June 2024 (Continued)

IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information (effective 1 January 2024)
IFRS S2	Climate – related Disclosures (effective 1 January 2024)
IAS 21	The effects of changes in foreign exchange rates (Amendments – Lack of exchangeability) (Effective 1 January 2025)
IFRS 9 / IFRS 7	Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments (01 January 2026)
IFRS 18	Presentation and disclosure in Financial Statements (01 January 2027)
IFRS 19	Subsidiaries without Public Accountability Disclosures (01 January 2027)

The directors are in the process of assessing the impact of these amendments, new standards and new interpretations which is expected to be recognised in the period of initial application. The amendments are not expected to have any major impact on the Company's financial statements.

3 (a) Plant and equipment

	Computer Equipment	Office Furniture	Motor Vehicles	Total
	Rs	Rs	Rs	Rs
<b>COST</b>				
At 30 June 2022	1,005,972	667,945	54,178,829	55,852,746
Additions	37,973	2,820	12,970,324	13,011,117
Disposals/ Scrapped	(200,060)	(16,840)	(15,332,681)	(15,549,581)
At 30 June 2023	843,885	653,925	51,816,472	53,314,282
Additions	83,570	195,794	10,902,564	11,181,928
Disposals/ Scrapped	-	-	(11,527,541)	(11,527,541)
At 30 June 2024	<b>927,455</b>	<b>849,719</b>	<b>51,191,495</b>	<b>52,968,669</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 30 June 2022	879,854	336,800	22,916,585	24,133,239
Charge for the year	67,935	63,153	7,502,739	7,633,827
Disposals/ Scrapped	(200,060)	(16,840)	(11,289,635)	(11,506,535)
At 30 June 2023	747,729	383,113	19,129,689	20,260,531
Charge for the year	73,986	64,030	7,578,471	7,716,487
Disposals/ Scrapped	-	-	(8,585,511)	(8,585,511)
At 30 June 2024	<b>821,715</b>	<b>447,143</b>	<b>18,122,649</b>	<b>19,391,507</b>
<b>NET BOOK VALUES</b>				
At 30 June 2024	<b>105,740</b>	<b>402,576</b>	<b>33,068,846</b>	<b>33,577,162</b>
At 30 June 2023	96,156	270,812	32,686,783	33,053,751

**3 (a) Plant and equipment (Continued)**

Motor vehicles include motor vehicles under operating leases with lease terms of 2 to 7 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew.

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>2024</u> <u>Net book value</u>	<u>2023</u> <u>Net book value</u>
	Rs	Rs	Rs	Rs
Motor vehicles under operating lease	50,159,014	17,640,352	32,518,662	31,929,818
Motor vehicles owned	<u>1,032,481</u>	<u>482,297</u>	<u>550,184</u>	<u>756,965</u>
	<u>51,191,495</u>	<u>18,122,649</u>	<u>33,068,846</u>	<u>32,686,783</u>

Lease income earned by the Company from motor vehicles under operating leases is Rs 9,765,340 (2023: Rs 9,624,301). There were no expenses attributable directly to motor vehicles under operating leases. The breakdown of lease payments is as follows;

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Fixed payments	<u>9,765,340</u>	<u>9,624,301</u>
Total payments	<u>9,765,340</u>	<u>9,624,301</u>

Maturity analysis of operating lease payments receivable:

	<u>2024</u>	<u>2023</u>
	Rs	Rs
<b>Year 1</b>	<b>8,560,768</b>	8,974,164
<b>Year 2</b>	<b>7,490,742</b>	6,563,583
<b>Year 3</b>	<b>5,210,320</b>	5,278,207
<b>Year 4</b>	<b>2,871,375</b>	3,080,422
<b>Year 5</b>	<b>2,122,537</b>	871,964
<b>Year 6 and onwards</b>	<u>-</u>	<u>-</u>
	<u>26,255,742</u>	<u>24,768,340</u>

A review of the carrying amount of plant and equipment has been carried out by the directors.

In their opinion, there is no objective evidence of impairment. There was no pledge during the financial year (2023: Nil).

**3 (b) Intangible assets- Software**

	2024 Rs	2023 Rs
<b>COST</b>		
At start of the year	1,189,700	1,189,700
Additions	<b>50,000</b>	-
<b>At 30 June</b>	<b>1,239,700</b>	1,189,700
<b>ACCUMULATED AMORTISATION</b>		
At start of the year	1,153,116	1,103,545
Charge for the year	<b>43,459</b>	49,571
<b>At 30 June</b>	<b>1,196,575</b>	1,153,116
<b>NET BOOK VALUE</b>		
<b>At 30 June</b>	<b>43,125</b>	36,584

The directors are of the opinion that there is no indication of impairment.

**3 (c) Right-of-use assets-Building**

	2024 Rs	2023 Rs
<b>COST</b>		
At start of the year	1,300,368	1,300,368
Additions	<b>981,820</b>	-
<b>At 30 June</b>	<b>2,282,188</b>	1,300,368
<b>ACCUMULATED DEPRECIATION</b>		
At start of the year	1,034,252	768,140
Charge for the year	<b>266,116</b>	266,116
<b>At 30 June</b>	<b>1,300,368</b>	1,034,256
<b>NET BOOK VALUE</b>		
<b>At 30 June</b>	<b>981,820</b>	266,112

The Company leases building with average lease term of 3 years with extension options.

The maturity analysis of the lease liability is included in Note 12.

**4 Net finance lease receivables**

	2024 Rs	2023 Rs
<b>Present value of lease payments analysed as:</b>		
Recoverable within 12 months	57,991,189	55,424,546
Recoverable after 12 months	132,225,206	144,729,100
	<b>190,216,395</b>	<b>200,153,646</b>
<b>Net investment in the lease analysed as:</b>		
Recoverable within 12 months	57,702,978	55,025,934
Recoverable after 12 months	131,504,765	143,652,245
	<b>189,207,743</b>	<b>198,678,179</b>

The Company entered into finance leasing arrangements as a lessor for motor vehicles with lease term up to 7 years.

The average lease term is 5 years and the interest rate ranges between 2.90% - 10.80% (2023: 2.90% - 10.80 %) per annum on finance leases and is fixed at the contract date for the entire lease term.

Disclosure required by IFRS 16

	2024 Rs	2023 Rs
Amounts receivable under finance leases:		
Year 1	9,683,807	6,466,343
Year 2	9,153,209	9,170,039
Year 3	13,329,968	13,682,459
Year 4	25,824,206	26,105,702
Year 5	47,738,609	47,179,234
Onwards	84,486,597	97,549,869
Present value of lease payments receivable	190,216,396	200,153,646
Impairment loss allowance	(1,008,653)	(1,475,467)
Net investment in the lease	<b>189,207,743</b>	<b>198,678,179</b>

The following table presents the amounts included in profit or loss.

	2024 Rs	2023 Rs
Finance income on the net investment in finance leases	<b>16,407,884</b>	16,060,646

(a) Movement during the year

	2024 Rs	2023 Rs
At 1 July	200,153,646	182,951,725
Leases granted	50,387,000	85,210,600
Capital repayments	(60,324,250)	(68,008,679)
	190,216,396	200,153,646
Less: Loss allowance	(1,008,653)	(1,475,467)
At 30 June	<b>189,207,743</b>	<b>198,678,179</b>

**4 Net finance lease receivables (Continued)**

(a) Movement during the year (continued)

The unguaranteed residual values of assets under finance leases at the end of the reporting period are estimated at Rs 3,714,241 (2023: Rs 3,848,107).

(b) Impairment of finance lease receivables

Before granting lease to clients, the Company uses a credit scoring system to assess the potential client's credit quality and profile. Upon satisfactory scoring and submission of all necessary documents, the lease is granted.

The directors estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. In estimating the loss allowance, the directors take into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with its collateral value and whether the finance lease receivables are past due.

The following is a reconciliation of the allowances for the uncollectible lease payment receivable on net finance lease receivables:

	2024	2023
	Rs	Rs
At 1 July	1,475,467	1,633,363
Amount recovered	(466,814)	(157,896)
Increase in loss allowance recognised in profit or loss during the year	-	-
At 30 June	<u>1,008,653</u>	<u>1,475,467</u>

The following table details the risk profile of finance lease receivables based on past due status.

30 June 2024	Not past due	<30 days	31-60 days	61-90 days	>90 days	Total
		Rs	Rs	Rs	Rs	Rs
Carrying amount	142,759,650	40,581,730	6,181,941	689,456	3,619	190,216,396
Expected credit loss rate	0.46%	0.46%	2.18%	3.40%	36.40%	
Lifetime ECL	661,148	187,942	134,800	23,446	1,317	<u>1,008,653</u>
30 June 2023	Not past due	<30 days	31-60 days	61-90 days	>90 days	Total
		Rs	Rs	Rs	Rs	Rs
Carrying amount	146,021,007	48,870,440	2,832,655	530,655	1,898,889	200,153,646
Expected credit loss rate	0.58%	0.58%	1.47%	2.32%	15.20%	
Lifetime ECL	848,790	284,077	41,753	12,311	288,536	<u>1,475,467</u>

**5 Trade and other receivables**

	2024	2023
	Rs	Rs
Trade receivables	631,454	256,889
Amount due by related parties - (Note 21)	168,802	14,580
Loss allowance	(2,562)	(3,030)
	<u>797,694</u>	268,439
Other receivables	238,105	338,608
Prepayments	504,037	506,905
	<u>1,539,836</u>	<u>1,113,952</u>

**5 Trade and other receivables (Continued)**

Trade receivables are non-interest bearing and are generally on 30 days' terms. Other receivables are non interest bearing and are generally on 30-90 days' term.

The Company always measure the loss allowance for trade receivables at an amount equal to lifetime ECL.

The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. There has been no write off of trade receivables in the current year.

Related parties balance are included in trade and other receivables amounting Rs 168,802 (2023: Rs 14,580).

The following table details the risk profile of trade receivables and related parties based on past due status.

<b>30 June 2024</b>	<b>Not past due</b>	<b>&lt;30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>&gt;90 days</b>	<b>Total</b>
		<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
<b>Carrying amount</b>	<b>740,478</b>	<b>59,760</b>	<b>8</b>	<b>10</b>	<b>-</b>	<b>800,256</b>
<b>Expected credit loss rate</b>	<b>0.25%</b>	<b>1.18%</b>	<b>1.84%</b>	<b>19.73%</b>	<b>-</b>	
<b>Lifetime ECL</b>	<b>1,853</b>	<b>706</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2,562</b>
<b>30 June 2023</b>	<b>Not past due</b>	<b>&lt;30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>&gt;90 days</b>	<b>Total</b>
		<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
<b>Carrying amount</b>	<b>176,231</b>	<b>81,445</b>	<b>13,793</b>	<b>-</b>	<b>-</b>	<b>271,469</b>
<b>Expected credit loss rate</b>	<b>0.75%</b>	<b>1.91%</b>	<b>3.01%</b>	<b>-</b>	<b>-</b>	
<b>Lifetime ECL</b>	<b>1,056</b>	<b>1,559</b>	<b>415</b>	<b>-</b>	<b>-</b>	<b>3,030</b>

Movement in loss allowance

	<b>2024</b>	<b>2023</b>
	<b>Rs</b>	<b>Rs</b>
At 1 July	<b>3,030</b>	<b>166,576</b>
Net remeasurement of loss allowance	<b>-</b>	<b>-</b>
Amounts recovered	<b>(468)</b>	<b>(163,546)</b>
	<b>2,562</b>	<b>3,030</b>

**6 Cash and cash equivalents**

	2024	2023
	Rs	Rs
Cash in hand and at banks	231,240	5,000
Bank overdraft	(27,625,253)	(34,901,535)
	<u>(27,394,013)</u>	<u>(34,896,535)</u>

The Company earns interest on its cash at banks at fluctuating rates based on daily bank deposit rates. The bank overdraft facility is secured by floating charges over the assets of the Company. The Company deems that cash and cash equivalents are not exposed to credit risk given the track-record of and the ongoing business relations with the counterparties as the Company banks with reputable financial institutions.

**7 Stated capital**

	2024	2023
	Rs	Rs
<u>Issued and fully paid</u>		
At 01 July	70,160,000	70,160,000
Issue of Bonus Shares	4,127,059	-
At 30 June	<u>74,287,059</u>	<u>70,160,000</u>

	Number of shares	
	2024	2023
<u>Reconciliation of number of shares</u>		
At 01 July	70,160	70,160
Issue of Bonus Shares	4,127	-
At 30 June	<u>74,287</u>	<u>70,160</u>

A Bonus issue of 4,127 fully paid ordinary shares of Rs 1,000 each were issued in May 24. The ordinary shares have voting rights and have equal share in dividends and distribution of surplus assets of the Company. 1 Bonus Share was issued for every 17 Shares.

**8 Borrowings**

	2024	2023
	Rs	Rs
At 1 July	83,177,699	92,084,289
Additions during the year	45,364,700	2,997,093
Repayment during the year	(34,600,592)	(11,903,683)
	<u>93,941,807</u>	<u>83,177,699</u>

- (a) Secured by a floating charge over the Company's assets and Corporate Guarantee provided by ABC Motors Company Limited. The loan at the Mauritius Commercial Bank Ltd bear an interest rate at PLR plus 0.3% and is repayable on a monthly instalment up to 30 June 2028 and the loan at Bank One Ltd bear an interest rate at PLR less 1.45% and is repayable on a monthly instalment up to 25 Dec 2030.

	2024	2023
	Rs	Rs
Current liabilities	15,930,239	12,398,172
Current liabilities - Amount due to Related Parties - (Note 21)	10,924,003	12,500,000
Non-current liabilities	65,305,305	58,279,527
Non-current liabilities - Amount due to Related Parties - (Note 21)	1,782,260	-
	<u>93,941,807</u>	<u>83,177,699</u>

**9 Taxation**

(a) Income tax

Income tax is calculated at the rate of 15% (2023: 15%) on the profit as adjusted for tax purposes and CSR charge which is calculated at the rate of 2% (2023: 2%) on the chargeable income of the preceding year.

	<u>2024</u>	<u>2023</u>
	Rs	Rs
<u>Tax expense</u>		
Income tax charge	65,699	340,864
CSR contribution	45,449	151,877
Adjustment on corporate tax	20,001	-
Deferred tax movement during the year	84,724	518,206
Income tax expense charged to profit or loss	<u>215,873</u>	<u>1,010,947</u>

(b) Reconciliation of the total tax charge

A reconciliation between the tax expense and the accounting profit multiplied by the domestic statutory tax rate for the years ended 30 June is as follows:

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Profit before taxation	<u>1,756,060</u>	<u>1,764,858</u>
At effective income tax rate of 17% (2023: 17%)	298,530	300,026
<i>Tax effects of:</i>		
Disallowed expenses	1,383,476	1,586,485
Non-taxable income	(1,607,548)	(1,500,198)
Deferred tax rate differential on CSR	95,967	472,757
CSR contribution	45,449	151,877
Tax expense	<u>215,873</u>	<u>1,010,947</u>

**9 Taxation (Continued)**

(c) Deferred tax liabilities

	<u>2024</u>	<u>2023</u>
	Rs	Rs
At 1 July	1,458,476	940,270
Movement during the year (note 9(a))	<u>84,724</u>	<u>518,206</u>
At 30 June	<u><u>1,543,200</u></u>	<u><u>1,458,476</u></u>
<i>Deferred tax liabilities are analysed as follows:</i>		
Accelerated capital allowance	1,427,954	1,519,669
Retirement benefit obligations	(51,664)	(61,193)
	<u><u>1,376,290</u></u>	<u><u>1,458,476</u></u>

(d) Current tax liability:

	<u>2024</u>	<u>2023</u>
	Rs	Rs
At 1 July	26,884	806,345
Current tax expense	65,699	340,864
CSR contribution	45,449	151,877
Tax paid in respect of CSR contribution	(22,724)	(161,370)
Tax paid in respect to last year corporate tax	(26,884)	(806,345)
Tax paid under APS	(76,792)	(304,487)
At 30 June	<u><u>11,632</u></u>	<u><u>26,884</u></u>

(e) Corporate Social Responsibility Fund

	<u>2024</u>	<u>2023</u>
	Rs	Rs
At 1 July	(9,493)	16,443
Charge for the year	45,449	151,877
Paid during the year	<u>(13,232)</u>	<u>(177,813)</u>
At 30 June	<u><u>22,724</u></u>	<u><u>(9,493)</u></u>

**10 Retirement benefit obligations**

The Company's retirement benefit obligations relate to gratuities on retirement payable under the Workers Rights Act 2019. The figures are based on the report submitted by MUA Pension Ltd for the year ended 30 June 2024.

(a) Amount recognised in the statement of financial position

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Present value of obligations	<u><u>303,908</u></u>	<u><u>359,964</u></u>

**10 Retirement benefit obligations (Continued)**

(b) Amount recognised in statement of profit or loss and other comprehensive income:

	2024	2023
	Rs	Rs
Current service cost	40,232	58,975
Net interest cost	19,544	16,156
Past Service Cost	<u>(197,054)</u>	153,446
Net cost for the year recognised in profit or loss	<b>(137,278)</b>	228,577
Remeasurement recognised in OCI	<b>81,222</b>	(254,034)
Net cost for period	<b><u>(56,056)</u></b>	<b><u>(25,457)</u></b>

(c) Net interest cost for the year:

	2024	2023
	Rs	Rs
Interest on obligations	<b><u>19,544</u></b>	<b><u>16,156</u></b>
Remeasurement recognised in Other Comprehensive Income for the year:		
Actuarial (losses) / gain on the obligations	<b><u>(81,222)</u></b>	<b><u>254,034</u></b>

(d) Changes in the present value of the obligation

	2024	2023
	Rs	Rs
At 1 July	359,964	385,421
Interest cost	19,544	16,156
Current service cost	40,232	58,975
Past Service cost	<u>(197,054)</u>	153,446
Expected obligation at end of the year	<b>222,686</b>	613,998
Present value of obligation at end of the year	<b><u>303,908</u></b>	<b><u>359,964</u></b>
Remeasurement recognised in OCI at end of period - (Losses) /Gain	<b><u>(81,222)</u></b>	<b><u>254,034</u></b>

(e) Principal actuarial assumptions used for accounting purposes were:

	2024	2023
Normal Retirement Age	65	65
Discount rate	4.69%-5.56%	5.14%-5.70%
Expected rate of return on plan assets	0.00%	0.00%
Future salary increases	5.00%	5.00%
Future pension increases	0.00%	0.00%
Future NPF salary increases	0.00%	0.00%
Deferred pension increases	0.00%	0.00%
Annual proportion of employees leaving service	<b>5% up to age 40, decreasing to 0% at 45 and nil thereafter.</b>	

**10 Retirement benefit obligations (Continued)**

(f) Experience adjustments on:

	2024	2023
	Rs	Rs
Plan liabilities	<u>(77,443)</u>	<u>119,438</u>

(g) Movements in liability recognised in statement of financial position

	2024	2023
	Rs	Rs
Net liability at start of period	359,964	385,421
Net expenses recognised in profit or loss	(137,278)	228,577
Net actuarial losses /(gains) recognised in OCI	<u>81,222</u>	<u>(254,034)</u>
	<u>303,908</u>	<u>359,964</u>

(h) Sensitivity

Significant actuarial assumptions for the determination of defined obligation are discount rate, salary increase assumption and changing longevity. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Effect on present value of obligations	
	2024	2023
	Rs	Rs
Decrease due to 1% increase in discount rate	160,108	221,185
Increase due to 1% decrease in discount rate	483,532	530,697
Increase due to 1% increase in salary increase assumption	420,507	480,193
Decrease due to 1% decrease in salary increase assumption	215,737	266,502
Effect of changing longevity - rate up	281,130	341,653
Effect of changing longevity - rate down	<u>325,405</u>	<u>377,165</u>

The sensitivity presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the retirement benefits at 30 June 2024 is 14 years (2023: 15 years).

This can be analysed a follows:

- Members: 33.9 years (2023: 35.3 years)
- Non-members: Nil (2023 :Nil years)

**11 Trade and other liabilities**

	2024	2023
	Rs	Rs
Amount due by related parties - (Note 21)	9,725,101	22,503,482
Other payables	<u>3,592,724</u>	<u>4,033,198</u>
	<u>13,317,825</u>	<u>26,536,680</u>

**11 Trade and other liabilities (Continued)**

	2024	2023
	Rs	Rs
Current liabilities	12,124,414	25,206,179
Non-current liabilities	1,193,411	1,330,501
	<u>13,317,825</u>	<u>26,536,680</u>

The amount under Non-current liabilities is represented by the proportion of deferred income on Front End fees to be amortised over the lease period of up to 7 years.

Terms and conditions of the above financial liabilities:

- Trade creditors are non-interest bearing and are normally settled on 15-30 days terms.
- Other payables are non-interest bearing and have an average term of 6 months.

Included in trade and other liabilities are balances amounting to Rs 9,725,101 (2023: Rs 22,503,482) payable to related parties (note 21).

**12 Lease liabilities**

	2024	2023
	Rs	Rs
<i>Maturity analysis:</i>		
Year 1	317,648	295,828
Year 2	327,178	-
Year 3 and onwards	336,994	-
	<u>981,820</u>	<u>295,828</u>

The lease liabilities as at 30 June 2024 amount to Rs 981,819 (2023: Rs 295,828) and future finance charges amounts to Rs 317,648 (2023: Rs 295,828)

	2024	2023
	Rs	Rs
<b>Analysed as:</b>		
Non-current	664,172	-
Current	317,648	295,828
	<u>981,820</u>	<u>295,828</u>

*Amounts recognised in the statement of profit or loss*

Interest expense on lease liability	<u>12,566</u>	<u>34,196</u>
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**13 Interest expense**

	2024	2023
	Rs	Rs
Interest charge on:		
Lease liabilities	12,566	34,196
Borrowings	7,860,679	7,200,520
	<u>7,873,245</u>	<u>7,234,716</u>

**14 Interest income and other operating income (Continued)**

	2024	2023
	Rs	Rs
(a) <i>Interest Income</i>		
Finance leases	16,407,884	16,060,646
Bank balance	2,051	1,870
	<u>16,409,935</u>	<u>16,062,516</u>
	2024	2023
	Rs	Rs
(b) <i>Other operating income</i>		
Transfer fee	456,646	589,022
Management fees and other income received	1,177,193	1,056,332
Profit on disposal of motor vehicles	337,743	333,879
	<u>1,971,582</u>	<u>1,979,233</u>

**15 Personnel expenses**

	2024	2023
	Rs	Rs
Wages and salaries	5,402,583	5,347,815
Movement in employee benefits	454,824	378,689
Others	(137,278)	228,577
	<u>5,720,129</u>	<u>5,955,081</u>

The number of staffs as at 30 June 2024 amounted to 8.

**16 Other operating expenses**

	2024	2023
	Rs	Rs
Legal and professional fees	1,329,128	1,268,360
Motor vehicle expenses and insurance	865,005	862,489
Licences	145,529	146,265
General insurance	125,448	121,211
Security Expenses	42,000	42,000
IT and Computer Expenses	367,027	335,118
HR Costs	444,000	427,800
Solis Software Maintenance	191,341	177,168
General Expenses	16,267	81,895
Communication Fee	72,000	72,000
Repairs & Maintenance	59,220	(6,110)
Others**	1,581,678	1,555,131
	<u>5,238,643</u>	<u>5,083,327</u>

Expenses under category Others include Printing and postage, Training, Telephone Charges, Bank Charges and Office Expenses related.

**17 Dividend**

No dividend has been declared for the financial year ended 30 June 2024 (2023: Nil).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**18 Reconciliation of liabilities arising from financing activities**

	Opening balance	Financing cash flows	Other non- cash movements	Closing balance
	Rs	Rs	Rs	Rs
<b>2024</b>				
Borrowings	83,177,699	10,764,108	-	93,941,807
Lease liability	295,828	(295,828)	981,820	981,820
	<u>83,473,527</u>	<u>10,468,280</u>	<u>981,820</u>	<u>94,923,627</u>
<b>2023</b>				
Borrowings	92,084,289	(8,906,590)	-	83,177,699
Lease liability	561,141	(265,313)	-	295,828
	<u>92,645,430</u>	<u>(9,171,903)</u>	<u>-</u>	<u>83,473,527</u>

The cash flows from bank loans and loan from related parties make up the net amount of proceed from borrowings and repayments of borrowings in the statement of cash flows.

**19 Categories of financial instruments**

Set out below is the categories of the Company's financial instruments that are carried in the financial statements.

	2024		2023	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	Rs	Rs	Rs	Rs
Carrying Amount				
At amortised cost				
Cash and cash equivalents	231,240	-	5,000	-
Net finance lease receivables	189,207,743	-	198,678,179	-
Trade and other receivables	997,052	-	408,088	-
Trade and other liabilities	-	13,261,565	-	26,476,996
Bank Overdraft	-	27,625,253	-	34,901,535
Lease liabilities	-	981,820	-	295,828
Borrowings	-	93,941,807	-	83,177,699
	<u>190,436,035</u>	<u>135,810,445</u>	<u>199,091,267</u>	<u>144,852,058</u>

Financial assets and financial liabilities excludes the following:

Prepayments	504,037	-	506,905	-
Value Added Tax	38,747	-	198,959	-
CSG and PAYE	-	48,842	-	53,135
Tax deducted at source	-	7,418	-	6,549
	<u>542,784</u>	<u>56,260</u>	<u>705,864</u>	<u>59,684</u>

## 20 Financial risk management objectives and policies

### Introduction

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to interest risk, credit risk, liquidity risk, and market risk. It is also subject to operating risk. The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Company's strategic planning process.

The Company's principal financial liabilities comprise of trade and other liabilities, lease liabilities and borrowings. These together with the Company's financial assets such as net finance lease receivables, trade and other receivables and cash and cash equivalents, arise directly from its operations.

### *Risk management structure*

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies responsible for managing and monitoring risks.

The Board of Directors as well as the Company's senior management is responsible for understanding both the nature and level of risks taken by the entities and how the risk relates to adequate capital levels. The Board is also responsible for the overall risk management approach and approving the risk strategies and principles.

### *Management*

Management oversees the day to day operations and is responsible for the independent control of risks, including monitoring the risk exposures.

### (a) Interest rate risk

The Company adopts a policy of ensuring that most of its exposure to changes in interest rates on borrowings is both on a fixed and floating rate basis.

### *Interest rate profile*

		2024	2023
		Rs	Rs
Borrowings	MCB PLR plus 0.3%	93,941,807	83,177,699
	Bank One PLR less 1.45%		
Bank Overdraft	MCB PLR plus 0.3%	27,625,253	34,901,535
Cash and cash equivalent	Fluctuating rate 2% and 3%	231,240	5,000
Finance lease receivables	Fixed rate 2.9% - 10.80%	189,207,743	198,678,179

### *Interest rate sensitivity analysis*

At 30 June 2024, if the prime lending rate had been 0.5% higher/lower, profit after tax would have been Rs 393,019 (2023: Rs 331,368) lower/higher, mainly because of higher or lower interest expense.

**20 Financial risk management objectives and policies (Continued)**

**(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at 30 June 2024, the Company's maximum exposure to credit risk without taking into account any collateral held which will cause a financial loss to the Company due to failure to discharge an obligation by counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate to mitigate the risk of financial loss from defaults. The Company has established a credit quality review process to provide early identification of possible changes in the credit worthiness of counterparties with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company.

Furthermore, the Company reviews the recoverable amount of each trade receivable and lease receivable on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk is significantly reduced.

As at 30 June 2024, an amount of Rs 1,011,215 (2023: Rs 1,478,497) has been estimated as a loss allowance in accordance with IFRS 9. A reversal of provision for impairment on financial assets of Rs 467,282 (2023: Rs 321,442) has been recognised in profit or loss, see note 4 and 5.

20 Financial risk management objectives and policies (Continued)

(b) Credit risk (continued)

The table below shows the maximum exposure to credit risk for the components of the statement of financial position. The maximum exposure is shown gross.

	Past due but not impaired					Total Rs
	Less than 30 days Rs	30-60 days Rs	60-90 days Rs	Over 90 days Rs	Past due and impaired Rs	
Trade and other receivables	1,482,610	59,777	11		(2,562)	1,539,836
Net finance lease receivables	8,675,156	9,153,208	13,329,967	159,058,065	(1,008,653)	189,207,743
Cash and cash equivalents	231,240	-	-	-	-	231,240
<b>At 30 June 2024</b>	<b>10,389,006</b>	<b>9,212,985</b>	<b>13,329,978</b>	<b>159,058,065</b>	<b>(1,011,215)</b>	<b>190,978,819</b>
Trade and other receivables	1,021,744	81,445	13,793	-	(3,030)	1,113,952
Net finance lease receivables	4,992,678	9,170,038	13,682,461	172,308,469	(1,475,467)	198,678,179
Cash and cash equivalents	5,000	-	-	-	-	5,000
<b>At 30 June 2023</b>	<b>6,019,422</b>	<b>9,251,483</b>	<b>13,696,254</b>	<b>172,308,469</b>	<b>(1,478,497)</b>	<b>199,797,131</b>

The gross maximum exposure to net investment in finance leases is disclosed in note 4 to the financial statements.

20 Financial risk management objectives and policies (Continued)

(c) Liquidity risk

The Company's main objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities at 30 June 2024 and 30 June 2023 based on contractual undiscounted payments.

	At 30 June 2024						At 30 June 2023					
	On demand		Less than 3 months		3 to 12 months		1 to 5 years		Over 5 years		Total	
	Rs		Rs		Rs		Rs		Rs		Rs	
Bank overdraft	27,625,253	-	-	-	-	-	-	-	-	-	-	27,625,253
Trade and other liabilities	-	8,909,922	3,214,491	1,150,980	42,432	13,317,825	-	-	-	-	-	13,317,825
Borrowings	-	14,471,180	12,383,061	64,906,308	2,181,258	93,941,807	-	-	-	-	-	93,941,807
Total Undiscounted financial liabilities	27,625,253	23,381,102	15,597,552	66,057,288	2,223,690	134,884,885	-	-	-	-	-	134,884,885
	At 30 June 2023											
	On demand		Less than 3 months		3 to 12 months		1 to 5 years		Over 5 years		Total	
	Rs		Rs		Rs		Rs		Rs		Rs	
Bank overdraft	34,901,535	-	-	-	-	-	-	-	-	-	-	34,901,535
Trade and other liabilities	-	21,270,458	3,935,720	1,274,882	55,620	26,536,680	-	-	-	-	-	26,536,680
Borrowings	-	3,025,647	21,872,525	58,279,527	-	83,177,699	-	-	-	-	-	83,177,699
Total Undiscounted financial liabilities	34,901,535	24,296,105	25,808,245	59,554,409	55,620	144,615,914	-	-	-	-	-	144,615,914

**20 Financial risk management objectives and policies (Continued)**

**(d) Fair values**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Except where stated elsewhere in the financial statements, the directors are of opinion that the carrying amounts approximate the fair values of the financial assets and liabilities due to its commercial term. The following methods and assumptions were used to estimate the fair values.

**(i) Short-term maturity financial instruments**

Cash and cash equivalents, trade and other receivables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**(ii) Fixed rate financial instruments**

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they are first recognised with current market rates offered for similar instruments. The estimated fair value of fixed-interest-bearing finance leases is based on discounted cash flows using the prevailing money-market interest rates for debts issued with similar credit risk and maturity.

**(e) 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 shareholders 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 amounts of dividend to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 30 June 2024 and 2023 were as follows:

	<b>2024</b>	2023
	<b>Rs</b>	Rs
Total borrowings	<b>93,941,807</b>	83,177,699
Total Bank Overdraft	<b>27,625,253</b>	34,901,535
Less cash and cash equivalents	<b>(231,240)</b>	(5,000)
Net debt	<b>121,335,820</b>	118,074,234
Total equity	<b>87,855,481</b>	86,396,516
<b>Total capital</b>	<b>209,191,301</b>	204,470,750
Gearing ratio	<b>58%</b>	58%

**20 Financial risk management objectives and policies (Continued)**

**(f) Foreign currency risk**

Since all financial assets and liabilities are denominated in Mauritian Rupees (MUR), the Company is not exposed to foreign currency risk.

**21 Related party disclosures**

The following table provides the total amount of transactions, which have been entered into with related parties for the year ended 30 June 2024 and 2023.

	2024		2023	
	Corporate shareholders with significant influence Rs	Enterprise with common control Rs	Corporate shareholders with significant influence Rs	Enterprise with common control Rs
<b><u>Outstanding balances</u></b>				
<b><u>Assets</u></b>				
Net finance lease receivables	-	93,079	-	232,960
<b>Trade and other receivables</b>				
- Interest receivable on finance lease	-	39	-	98
- Amount owed by related party	-	168,802	-	14,580
<b>Cash and cash equivalents</b>				
- Bank balance	-	-	-	-
<b><u>Liabilities</u></b>				
<b>Trade and other liabilities</b>				
- Amount owed to related party	7,451,994	1,853,000	19,815,612	1,564,696
- Interest on overdue account	405,724	-	935,674	-
- Interest payable	14,383	-	187,500	-
<b><u>Borrowings</u></b>				
- Amount owed to related party	12,706,263	-	12,500,000	-
<b><u>Transactions during the year</u></b>				
<b>Income</b>				
Rental income	-	1,607,338	576,226	-
Front end fees	-	637	-	636
Interest on Finance Lease	-	13,155	-	23,554
Other income	-	1,100,136	-	1,116,323
<b>Expense</b>				
Secretarial fees	-	240,000	-	240,000
Interest on overdue account expense	541,767	-	638,385	-
Training Expenses	-	197,118	-	187,113
Pension/Insurance contribution	-	346,024	-	357,304
CSR contribution	11,362	-	75,940	-
Rent expenses	307,660	-	299,506	-

**21 Related party disclosures (Continued)**

	2024		2023	
	Corporate shareholders with significant influence Rs	Enterprise with common control Rs	Corporate shareholders with significant influence Rs	Enterprise with common control Rs
<i><b>Transactions during the year (continued)</b></i>				
Electricity charges	9,596	73,061	15,973	56,136
HR fees	-	444,000	-	427,800
Communication fees	-	72,000	-	72,000
Security expenses	42,000	-	42,000	-
IT expenses	231,399	-	335,620	-
Bank charges/fees	-	2,847	-	2,114
Motor vehicle running expenses	557,273	10,480	506,633	52,834
Acquisition of office equipment	-	17,000	2,820	-
Acquisition of motor vehicles	5,409,047	5,493,516	5,270,285	7,386,996
			<b>2024</b>	<b>2023</b>
			<b>Rs</b>	<b>Rs</b>
<b>Key management personnel remuneration</b>			<b>2,693,995</b>	<b>2,837,319</b>

***Terms and conditions of transactions with related parties***

Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2024, the Company has not recorded any impairment of receivables relating to amounts owed by the related parties (2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**22 World Events**

Local, regional, or global events such as War ( e.g; Russia/ Ukraine), acts of terrorism, public health issues like Pandemics or epidemics (e.g; COVID-19), recessions or other economic, political and global macro factors and events could lead to a substantial economic downturn or recession in global economics and have a significant impact on the Company. The recovery from such downturns is uncertain and may last for an extended period of time or result in significant volatility and many of the risks discussed herein associated with the Company may be increased.

**23 Going Concern**

At 30 June 2024, the Company is in a net current liability position of Rs 7,459,135 (2023: Net current liability: Rs 29,183,712). The financial statements have been prepared on a going concern basis as the Company will continue in operational existence for the foreseeable future as the directors have assessed that the Company has the adequate resources to continue in operational existence for the foreseeable future.

**24 Events subsequent to reporting date**

There are no significant events after the reporting date which require adjustments or additional disclosure in the financial statements.