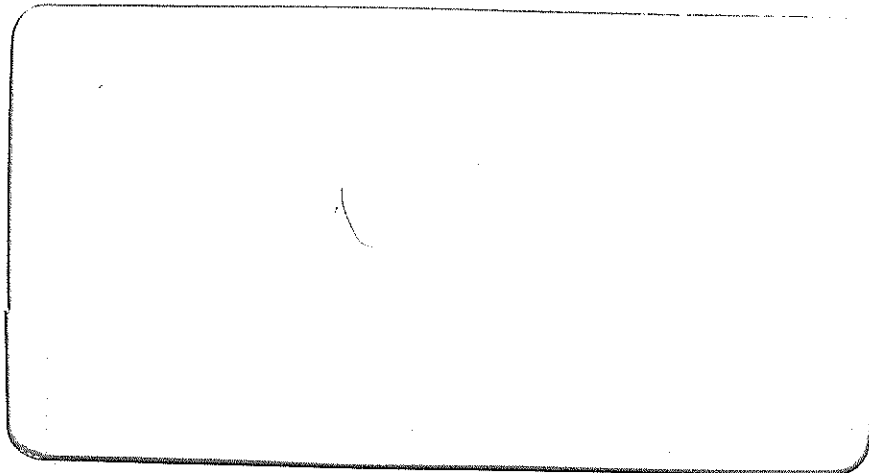




NJC ASSOCIATES
Accountants & business adviser



MULTI CARRIER (MAURITIUS) LIMITED

Annual Report

Financial Year 2021/22

MULTI CARRIER (MAURITIUS) LIMITED

Financial statements
for the financial year ended 30 June 2022

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MULTI CARRIER (MAURITIUS) LIMITED

Corporate Information

Directors: Mr. Nayen Koomar Ballah, GOSK (Chairperson)
Mr. Satydanand Aujeet
Mr. Koosiram Conhye
Mr. Anirood Pursunon
Prof. Soonil Dutt Dharam Vir Rughooputh
Mr. Kresh Seebundhun

Company Secretary: Satianand Banshi
Corner Malherbes and Clement Charoux Streets
Malherbes
Curepipe
Republic of Mauritius

Registered office: Corner Malherbes and Clement Charoux Streets
Malherbes
Curepipe
Republic of Mauritius

Auditor: NJC Associates
5th Floor, Orbis Court
Royal Road St Jean
Quatre Bornes
Republic of Mauritius

Banker: SBM Bank (Mauritius) Ltd
State Bank Tower 1
Queen Elizabeth II Avenue
Port Louis
Republic of Mauritius

MULTI CARRIER (MAURITIUS) LIMITED

Directors' Report

The Directors are pleased to present their annual report together with the audited financial statements of MULTI CARRIER (MAURITIUS) LIMITED ("the Company") for the year ended 30 June 2022.

Principal Activity

The principal activity of the Company is to provide multimedia service and a network for radio and television broadcasting and to conduct business related to the digital economy

Results

The results for the year are set out in the financial statements on page 14.

The Company has not declared any dividend for the year under review (2021: MUR Nil).

Statement of Directors' Responsibilities in respect of financial statements

The Directors are responsible for preparing the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of financial position of the Company and of the financial performance of the Company. In preparing those financial statements, the Directors are required to:

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

The Directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors are reviewing and closely monitoring the COVID-19 situation, ensuring compliance and cooperation with the protocols and advise as and when issued by the Mauritian government. The Directors are reviewing as well the business operations and strategies and assessing the impact on the Company. Accordingly, the Company has not been negatively impacted by the COVID-19 outbreak and therefore the Directors have no reason to believe that the Company will not be a going concern in the year ahead.

For and on behalf of the Board



.....
Director (N. K. Ballah, GOSK)



.....
Director (K. Seebundhun)

Date: 27 December 2022

MULTI CARRIER (MAURITIUS) LIMITED

Corporate Governance Report

General Information

MULTI CARRIER (MAURITIUS) LIMITED (“the Company”) was incorporated on 11 August 2000 as a private limited company limited by shares.

Nature of business

The main activity of the Company is to provide multimedia service and a network for radio and television broadcasting and to conduct business related to the digital economy.

Code of Corporate Governance

The Company is engaged towards holding standards of Corporate Governance through awareness of business ethics and supervision of its advisory team by its Board of Directors.

The eight principles of the National Code of Corporate Governance (the “Code”) issued by the National Committee on Corporate Governance on 13 February 2017 have been implemented as explained below:

Principle 1: Governance Structure

The Board of Directors (the “Board”) ensures that the Company is in compliance with the principles of the Code. The Company is headed by a Board of Directors made up of six Directors including the Chairperson, Non-Executive Directors and Independent Directors.

Role of the Board

The Board plays a leadership role by overseeing its delegated functions to ensure that objectives of the Company are met through implementation of adequate policies and processes that lead to value-creation.

The Board is responsible for directing the affairs of the Company in the best interests of the Shareholder, in conformity with legal and regulatory frameworks and consistent with best governance practices.

The Board is satisfied that it has discharged its responsibilities for the year under review.

The Board is composed of Directors coming from different sectors. Every Director has drawn from his professional background and expertise in positively contributing to the Board’s activities. The Board is currently made up of six Directors:

	Date of first appointment
Mr. Nayen Koomar Ballah, GOSK (Chairperson)	20 October 2016
Mr. Satydanand Aujeet (Non-Executive Director)	06 September 2019
Mr. Koosiram Conhye (Non-Executive Director)	01 April 2016
Mr. Anirood Pursunon (Independent Director)	14 February 2016
Prof. Soonil Dutt Dharam Vir Rughooputh (Independent Director)	30 May 2016
Mr. Kresh Seebundhun (Non-Executive Director)	01 April 2015

MULTI CARRIER (MAURITIUS) LIMITED

Principle 2: Structure of the Board and its committees

The chairperson of the Board is Mr. Nayen Koomar Ballah, GOSK. During the year ended 30 June 2022, board meetings and sub-committees were held whereby the Directors, among others:

- a) oversaw that all statutory matters have been adhered to;
- b) approved the unaudited financial statements and reviewed important accounting issues;
- c) reviewed the Company's performance; and
- d) ensured compliance of the Company with the legislations.

All the meetings were duly constituted and were attended by the Directors as hereunder:

Board of Directors	Board Attendance
Mr. Nayen Koomar Ballah, GOSK (Chairperson)	3/3
Mr. Satydanand Aujeet	3/3
Mr. Koosiram Conhye	3/3
Mr. Anirood Pursunon	3/3
Prof. Soonil Dutt Dharam Vir Rughooputh	3/3
Mr. Kresh Seebundhun	2/3

Members	Finance Committee Attendance
Prof. Soonil Dutt Dharam Vir Rughooputh (Chairperson)	18/18
Mr. Anirood Pursunon	18/18
Mr. Kresh Seebundhun	15/18

Members	Audit and Risk Committee Attendance
Mr. Kresh Seebundhun (Chairperson)	2/2
Mr. Koosiram Conhye	0/2
Mr. Anirood Pursunon	2/2

Members	Staff Committee Attendance
Mr. Satydanand Aujeet (Chairperson)	2/2
Mr. Koosiram Conhye	2/2
Mr. Anirood Pursunon	1/2

MULTI CARRIER (MAURITIUS) LIMITED

Principle 3: Director appointment procedures

During the year under review, the re-appointment of all Directors has been made in accordance with the Companies Act 2001.

Company Secretary

The Company Secretary has an advisory role in all governance-related matters concerning the Company and acts as the main point of contact for the Directors and its Shareholder, should they require guidance on their statutory responsibilities.

The principal functions of the Company Secretary include supplying the Board with high quality and timely information, collaborating with the Board in the preparation of agendas and coordinating the information flow between the Directors.

Mr Satianand Banshi has been appointed by the Board as Company Secretary for the Company.

Principle 4: Director duties, remuneration and performance

All the Directors are aware of their legal duties. They observe and foster high ethical standards and a strong ethical culture in their organisations. Each Director allocates sufficient time to discharge his duties effectively. Conflicts of interest; if any are disclosed and managed. The Board, Committees and individual Directors are supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, Committees and individual Directors have their performance evaluated and are held accountable to the Shareholder.

Director fees amounted to **MUR 1,106,040** (2021: MUR 1,095,540) for the year ended 30 June 2022.

Remuneration received and receivable from the Company were as follows:

	2022	2021
	MUR	MUR
Mr. Nayen Koomar Ballah, GOSK	427,740	427,740
Mr. Satydanand Aujeet	124,260	125,760
Mr. Koosiram Conhye	123,260	124,260
Mr. Anirood Pursunon	142,260	140,260
Prof. Soonil Dutt Dharam Vir Rughooputh	149,260	143,760
Mr. Kresh Seebundhun	139,260	133,760
	1,106,040	1,095,540

Legal duties

The Board of Directors are aware of their fiduciary duties as laid out in the Mauritius Companies Act 2001.

Conflict of interest

The Directors declare the nature of their interest(s) and a register of interests is kept by the Company Secretary which is updated on a regular basis. The register is also available to the Shareholder of the Company upon request to the Company Secretary.

MULTI CARRIER (MAURITIUS) LIMITED

Principle 5: Risk management and internal control

The oversight of risk management and internal control activities at the level of the Company is currently delegated to management which regularly reviews the effectiveness of the internal control and risk management systems of the Company. The Board reviews the performance of the external auditors and approves any proposed discharge of the external auditors when circumstances warrant.

The Board is ultimately responsible for the Company's system of internal control as well as implementation, maintenance and monitoring of the internal control in place.

Day to day activities are undertaken by the Chief Executive Officer and the management, which ensure that the necessary structures, processes and methods for identifying and monitoring any risks are in place.

Furthermore, the Board of Directors has delegated the day-to-day management as well as the Company's strategic, financial, operational and compliance risk matters to its Chief Executive Officer, Mr Beejhaye Ramdenee.

Financial risk factors

The financial risk factors have been set out in note 5 of these financial statements.

Principle 6: Reporting with Integrity

The Directors are responsible for preparing the financial statements of the Company on a yearly basis in accordance with applicable law and regulations. The financial statements have been prepared under the IFRS.

The financial statements of the Company for the year ended 30 June 2022 will be filed with the Registrar of Companies within the statutory deadline, after the Board's approval and adoption by Shareholder.

Directors acknowledge their responsibilities for:

- a) adequate accounting records and maintenance of effective internal control systems;
- b) the preparation of the financial statements which fairly present the financial position of the Company for the financial year and the cash flows for the year and which comply with International Financial Reporting Framework (IFRS); and
- c) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The financial statements are tabled for review and approved by the Board of Directors, before filing with the Registrar of Companies on an annual basis.

The Directors assess the Company's ability to continue as a going concern and same is disclosed in the financial statements every year.

MULTI CARRIER (MAURITIUS) LIMITED

Principle 7: Audit

Directors' responsibilities

The Directors are responsible for the preparation and fair preparation of the financial statements in accordance with all the requirements of the Mauritius Companies Act 2001 and IFRS and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements.

External audit

The Company appointed NJC Associates as auditor and tax adviser. Audit fees and other services incurred to NJC Associates for the year amounted to MUR 155,250 inclusive of VAT.

The external auditors are responsible for reporting on whether the financial statements are fairly presented. In line with the Companies Act 2001, the financial statements of the Company are required to be audited by an approved auditor. The appointment of the external auditor is done at the Annual Meetings of the Company.

The auditor's report on the financial statement is set out on pages 10 to 12.

Principle 8: Relations with Shareholder and Key stakeholders

The Board is responsible for ensuring that an appropriate dialogue takes place among the organisation, its Shareholder and other key stakeholders. The Board, within the context of its fundamental functions, respects the interests of its Shareholder, the Government of Mauritius.

Dividend distribution

During the year under review, no dividend distribution was made.

Related party transactions

The related party transactions have been set out in note 18 of these financial statements.

Code of ethics, health and safety and social issues

The Board is committed to the highest standards of ethical and professional integrity, based on a fundamental belief that business should be conducted honestly, fairly and legally whilst preserving the environment.

The objective of the Company is the optimisation of work efficiency and the prevention of accidents at work, through the implementation of safety standards in all its operations across the Company. Moreover, it aims to act as a good employer in providing and maintaining a safe and healthy work environment for all its employees.

MULTI CARRIER (MAURITIUS) LIMITED

Environment

The Company has no adverse impact on the environment.

Corporate social responsibility and donations

During the year under review, the Company has not made any donation (2021: MUR Nil).

Appreciation

The Board expresses its appreciation and gratitude to all those involved for their contribution during the year ended 30 June 2022.



.....
Director (N. K. Ballah, GOSK)



.....
Director (K. Seebundhun)

Date: 27 December 2022

MULTI CARRIER (MAURITIUS) LIMITED

Secretary's certificate

for the year ended 30 June 2022

Secretary's certificate under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with 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, all such returns as are required of the Company under the Companies Act 2001.



.....
Mr Satianand Banshi, FCCA
Company Secretary

Date: *27 December 2022*



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MULTI CARRIER (MAURITIUS) LIMITED

Report on the Financial Statements

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **MULTI CARRIER (MAURITIUS) LIMITED** (the "Company") which comprise the statement of financial position as at 30 June 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 49.

In our opinion, these financial statements give a true and fair view of the financial position of **MULTI CARRIER (MAURITIUS) LIMITED** as at 30 June 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

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

Other Information

The Directors are responsible for the other information. The other information comprises the commentary of the Directors and certificate from the secretary.

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

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

Corporate governance

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 as disclosed in the annual report and on whether the disclosure is consistent with the principles of the Code.

The Directors have given satisfactory explanations on the principles of the Code which have not been complied with. In our opinion, the disclosures in the annual report, including explanations on the reasons for non-compliance, is consistent with the principles of the Code.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MULTI CARRIER (MAURITIUS) LIMITED (CONTINUED)

Report on the Financial Statements (continued)

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MULTI CARRIER (MAURITIUS) LIMITED (CONTINUED)

Report on the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matter

This report is made solely to the Company's member in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

The financial statements of MULTI CARRIER (MAURITIUS) LIMITED for the year ended 30 June 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 28 December 2021.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

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

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.

NJC Associate

NJC ASSOCIATES
Chartered Accountants
5th Floor, Orbis Court
Royal Road St Jean
Quatre Bornes

Chelven Chengabroyan ACA FCCA
Licensed by FRC

Date: *27 December 2022*

MULTI CARRIER (MAURITIUS) LIMITED

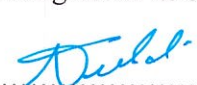
Statement of Financial Position

as at 30 June 2022

	Note	2022 MUR	2021 MUR
ASSETS			
Non-current assets			
Property, plant and equipment	6	113,215,569	90,963,095
Right-of-use assets	7	5,173,273	5,573,067
Deferred tax assets	17	11,903,031	4,298,299
Total non-current assets		130,291,873	100,834,461
Current assets			
Trade and other receivables	8	7,667,689	7,840,109
Income tax receivable	17	2,989,416	-
Cash and cash equivalents		141,898,774	191,166,989
Total current assets		152,555,879	199,007,098
Total assets		282,847,752	299,841,559
EQUITY AND LIABILITIES			
Equity and reserves			
Stated capital	9	219,000,000	219,000,000
Accumulated losses		(59,876,869)	(18,556,490)
Net equity		159,123,131	200,443,510
Liabilities			
Non-current liabilities			
Retirement benefits obligations	10	88,923,799	70,071,419
Lease liabilities	11	5,506,171	5,736,580
Total non-current liabilities		94,429,970	75,807,999
Current liabilities			
Lease liabilities	11	224,062	219,868
Trade and other payables	12	29,070,589	21,745,916
Income tax liability	17	-	1,624,266
Total current liabilities		29,294,651	23,590,050
Total liabilities		123,724,621	99,398,049
Total equity and liabilities		282,847,752	299,841,559

Approved by the Board on 27 December 2022 and signed on its behalf:


 Director (N. K. Ballah, GOSK)


 Director (K. Seebundhun)

Date: The notes on pages 17 to 49 form part of these financial statements

MULTI CARRIER (MAURITIUS) LIMITED

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

	Note	2022 MUR	2021 MUR
Revenue	13	77,249,939	77,410,395
Other income	14	11,937,003	21,155,986
Grant to Government of Mauritius	18	(50,000,000)	-
Administrative expenses	15	(72,162,708)	(71,068,713)
(Loss)/ profit before net finance costs		(32,975,766)	27,497,668
Net finance costs	16	(276,606)	(1,112,468)
(Loss)/ profit before taxation		(33,252,372)	26,385,200
Taxation	17	4,854,296	(4,443,079)
(Loss)/ profit for the year		(28,398,076)	21,942,121
Other comprehensive income for the year:			
<i>Items that will be reclassified to profit or loss:</i>			
Measurement of post-employment benefit obligations		(15,569,040)	(18,328,823)
<i>Items that will not be reclassified to profit or loss:</i>			
Deferred tax on post-employment benefit obligation		2,646,737	3,115,900
Total other comprehensive income for the year		(12,922,303)	(15,212,923)
Total comprehensive income for the year		(41,320,379)	6,729,198

MULTI CARRIER (MAURITIUS) LIMITED

Statement of Changes in Equity for the year ended 30 June 2022

	Stated capital MUR	Accumulated losses MUR	Net equity MUR
At 01 July 2020	219,000,000	(25,285,688)	193,714,312
Total comprehensive income for the year:			
Profit for the year	-	21,942,121	21,942,121
Other comprehensive income for the year	-	(15,212,923)	(15,212,923)
Balance at 30 June 2021	219,000,000	(18,556,490)	200,443,510
Total comprehensive income for the year:			
Loss for the year	-	(28,398,076)	(28,398,076)
Other comprehensive income for the year	-	(12,922,303)	(12,922,303)
Balance at 30 June 2022	219,000,000	(59,876,869)	159,123,131

MULTI CARRIER (MAURITIUS) LIMITED

Statement of Cash Flows for the year ended 30 June 2022

	2022 MUR	2021 MUR
Cash flows from operating activities		
(Loss)/ profit before taxation	(33,252,372)	26,385,200
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	19,197,254	15,539,979
Amortisation of right-of-use assets	399,793	399,793
Profit on disposal of property, plant and equipment	-	(1,447,383)
Increase in provision for retirement benefits obligations	3,283,340	2,214,842
Interest income	(95,691)	(103,944)
Finance costs on lease liabilities	297,585	307,973
	-----	-----
Operating (loss)/ profit before changes in working capital	(10,170,091)	43,296,460
Change in trade and other receivables	172,420	2,973,079
Change in trade and other payables	7,324,673	7,932,870
	-----	-----
Cash generated (used in)/ from operating activities	(2,672,998)	54,202,409
Less tax paid during the year	(4,525,998)	(5,320,690)
Interest received	(95,691)	103,944
	-----	-----
Net cash (used in)/ from operating activities	(7,294,687)	48,985,663
	-----	-----
Cash flows from investing activities		
Additions to property, plant and equipment	(41,449,728)	(22,374,400)
Proceeds from sale of property, plant and equipment	-	(1,476,183)
	-----	-----
Net cash used in investing activities	(41,449,728)	(20,898,217)
	-----	-----
Cash flows from financing activities		
Lease payments on lease liabilities	(523,800)	(521,163)
	-----	-----
Net cash used in financing activities	(523,800)	(521,163)
	-----	-----
Net movement in cash and cash equivalents	(49,268,215)	27,566,283
Cash and cash equivalents at 01 July	191,166,989	163,600,706
	-----	-----
Cash and cash equivalent at 30 June	141,898,774	191,166,989
	=====	=====

The notes on pages 17 to 49 form part of these financial statements

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements for the year ended 30 June 2022

1. General information

MULTI CARRIER (MAURITIUS) LIMITED (“the Company”) was incorporated on 11 August 2000 as a private limited company limited by shares. The principal activity of the Company is to provide multimedia service and a network for radio and television broadcasting and to conduct business related to the digital economy. Its registered address is at Corner Malherbes and Clement Charoux Streets, Curepipe, Republic of Mauritius.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the Companies Act 2001.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except where otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(c) Functional and presentational currencies

The financial statements are presented in Mauritian Rupees (MUR) which is the Company’s functional and presentational currency.

(d) Use of the estimates and judgement

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

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

Determination of functional currency

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

Business model assessment

Classification and measurement of financial assets depends on the result of the SPPI (Solely Payment of Principal and Interest) and the business model test. The Company determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the financial year ended 30 June 2022

2. Basis of preparation (continued)

(e) Use of the estimates and judgement (continued)

Calculation of loss allowance

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

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

Useful lives and residual values of property, plant and equipment

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

Going concern

The Company's Directors have assessed the ability of the Company to continue as going concern and are satisfied that the Company have the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the ability of the Company to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements for the year ended 30 June 2022

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

(a) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

Performance obligations and timing of revenue recognition

The majority of the revenue is derived from selling goods and services with revenue recognised at a point in time when control of the goods/services has been transferred to the customer. This is generally when the goods are delivered to the customer.

Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Practical Exemptions

The Company has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving and consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

(b) Finance income and cost

Finance income comprises interest income on funds invested and foreign currency gains that are recognised in the statement of comprehensive income. Interest income is recognised as it accrues in the statement of comprehensive income, using the effective interest method.

Finance cost comprises interest expense on borrowings, interest expense on finance leases and foreign currency losses that are recognised in the statement of comprehensive income. All borrowings costs are recognised in the statement of comprehensive income using the effective interest method.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Mauritian Rupees (MUR) at the foreign exchange rate ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost are translated to Mauritian Rupees (MUR) at the foreign exchange rate ruling at the date of transactions. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

(d) Taxation

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

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

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

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 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 realised simultaneously.

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

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(e) Retirement benefits obligations

(i) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(ii) Defined benefit plan

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

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

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

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

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

(f) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act is calculated by qualified actuaries and provided for. The obligations arising under this item are not funded.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(g) Related parties

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control of common significant influence.

(h) Property, plant and equipment

All property, plant and equipment are initially recorded at cost less accumulated depreciation and accumulated impairment (if any).

Land and building held for administrative purposes, are stated in the statement of financial position at their costs, being fair value at the date of acquisition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Subsequent costs

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

Depreciation is calculated to write off the cost or revaluation of property, plant and equipment over the expected useful lives of the assets concerned. The principal annual rates are:

Buildings	5%
Assets taken over from MBC	15%
Plant and equipment	10 % - 15%
Computer and office equipment	25%
Furniture and fittings	15%
Motor vehicles	20%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

An item of property, plant and equipment is derecognised upon disposal of when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of retirement of an item of property, 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.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(i) Leases

The Company assesses 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 arrangements 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 (such as tablets and personal computers, small items of office furniture and telephones). 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 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 Company 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 penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements for the year ended 30 June 2022

3. Significant accounting policies (continued)

(j) Impairment of assets

The Company assesses at the end of each reporting period whether there is objective evidence that financial asset is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Financial assets carried at amortised costs

The Company recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risks since initial recognition of the respective financial instrument.

The Company recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting period.

For financial assets measured at amortised cost, the expected credit losses are 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.

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.

Non-financial assets

The carrying amount of non-financial assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's net selling price and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to the statement of profit or loss and other comprehensive income.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements for the year ended 30 June 2022

3. Significant accounting policies (continued)

(k) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or 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.

Trade and other receivables measured at amortised cost

Trade and other receivables are amounts due from the Company for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 3(j).

Cash and cash equivalents

Cash and cash equivalents are measured at its amortised cost and are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(k) Financial instruments (continued)

Financial assets (continued)

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 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.

Financial liabilities

Financial liabilities measured at amortised cost

All financial liabilities 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 through the expected life of the financial liability to the amortised cost of 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.

(l) Stated capital

Ordinary shares

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

(m) Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Company and the Company have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligations.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(n) *New and revised IFRSs with no material effect on the financial statements (continued)*

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

<u>Standard</u>	<u>Summary of requirements</u>
Impact of the initial application of COVID-19-Related Rent Concessions beyond June 30, 2021— Amendment to IFRS 16	<p>In the current financial year, the Company has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification.</p> <p>A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.</p> <p>The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:</p> <ul style="list-style-type: none">• The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change• Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022)• There is no substantive change to other terms and conditions of the lease.
Impact of the initial application of Interest Rate Benchmark Reform	<p>In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as ‘risk free rates’ or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements This standard is not applicable to the Company.</p>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements for the year ended 30 June 2022

3. Significant accounting policies (continued)

(o) New standards, interpretations and amendments to published standards

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2022 and which have not been adopted in these financial statements.

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

Amendments to IAS 1 Presentation of Financial Statements— Classification of Liabilities as Current or Noncurrent	<p>The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p>
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract	<p>The amendments are applied retrospectively for annual periods beginning on or after January 01, 2023, with early application permitted.</p> <p>The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).</p> <p>The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.</p> <p>The amendments are effective for annual periods beginning on or after January 01, 2022, with early application permitted.</p>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(o) *New standards, interpretations and amendments to published standards (continued)*

<u>Standard</u>	<u>Summary of amendments</u>
Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use	<p>The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.</p> <p>The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.</p> <p>If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.</p> <p>The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.</p> <p>The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.</p> <p>The amendments are effective for annual periods beginning on or after January 01, 2022, with early application permitted.</p>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(o) *New standards, interpretations and amendments to published standards (continued)*

<u>Standard</u>	<u>Summary of amendments</u>
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	<p>The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.</p> <p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.</p> <p>The amendments are effective for annual reporting periods beginning on or after January 01, 2023, with earlier application permitted.</p>
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies	<p>The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p> <p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p> <p>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.</p> <p>The amendments to IAS 1 are effective for annual periods beginning on or after January 01, 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.</p>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Significant accounting policies (continued)

(o) *New standards, interpretations and amendments to published standards (continued)*

<u>Standard</u>	<u>Summary of amendments</u>
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors— Definition of Accounting Estimates	<p>The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.</p> <p>The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:</p> <ul style="list-style-type: none">• A change in accounting estimate that results from new information or new developments is not the correction of an error• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. <p>The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments. The amendments are effective for annual periods beginning on or after January 01, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.</p>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements for the year ended 30 June 2022

4 Critical accounting judgments and key sources of estimation uncertainty

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

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

Trade and other receivables

Management has estimated the recoverability of trade and other receivables and has considered the allowance required for doubtful receivables on the basis of prior experience and the current economic environment. After consideration on a case by case basis of the facts concerning the recoverability of each contract receivable, management believes that the allowance for doubtful trade receivables at 30 June 2022 is MUR 5,411,924 (2021: MUR 5,411,924) is sufficient to cover for any possible shortfall as at reporting date.

Useful lives and residual values of property, plant and equipment

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

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 10.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

5. Financial risk management

Introduction and preview

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, lease liabilities and trade and other payables. The recognition method adopted is disclosed in the individual policy statement associated with each item. The most important types of risk are credit risk, liquidity risk and market risk.

The Company's activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aims are therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly review their risk management policies and systems to reflect changes in markets and emerging best practice.

Risk management is carried out by the Board of Directors through board meetings. The Company provide principles for overall risk management.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's income and operating cash flows are somewhat independent of changes in interest rates. The Company has cash and cash equivalents which carries market interest rates.

(ii) Price risk

The Company is not exposed to commodity price risk or equity price risk.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

5. Financial risk management (continued)

Market risk (continued)

(iii) Currency risk

The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the EURO ("EUR"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The following table indicates the approximate change in the Company's post-tax profit and equity had foreign exchange rates weakened/strengthened by 5% against the EUR with all other variables held constant.

For the year ended 30 June	2022 MUR +/-	2021 MUR +/-
EUR	<u>1,068,677</u>	<u>378,513</u>

The currency profile of the Company's financial assets and liabilities is summarised below:

	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Mauritian Rupees	148,674,461	12,751,884	199,007,098	18,796,187
EURO	-	21,373,534	-	8,906,177
	<u>148,674,461</u>	<u>34,125,418</u>	<u>199,007,098</u>	<u>27,702,364</u>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

5. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the Company's contractual maturities of financial liabilities.

Year ended 30 June 2022

	Due for less than 1 year MUR	Due between 1 to 5 years MUR	Due after 5 years MUR	Total MUR
Financial liabilities				
Lease liabilities	224,062	896,248	4,609,923	5,730,233
Trade and other payables	28,395,185	-	-	28,395,185
Total financial liabilities	28,619,247	896,248	4,609,923	34,125,418

Year ended 30 June 2021

	Due for less than 1 year MUR	Due between 1 to 5 years MUR	Due after 5 years MUR	Total MUR
Financial liabilities				
Lease liabilities	219,868	408,585	5,327,995	5,956,448
Trade and other payables	21,745,916	-	-	21,745,916
Total financial liabilities	21,965,784	408,585	5,327,995	27,702,364

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements for the year ended 30 June 2022

5. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations.

The Company also limits its exposure to credit risk by dealing only with counterparties that has a good credit rating and management does not expect counter party to fail to meet its obligations.

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

	Carrying amount	
	2022	2021
	MUR	MUR
Trade and other receivables	6,775,687	7,840,109
Cash and cash equivalents	141,898,774	191,166,989
	<u>148,674,461</u>	<u>199,007,098</u>

Impairment losses

The aging of trade receivables at the reporting date was:

	Gross		Impairment	
	2022	2022	2021	2021
	MUR	MUR	MUR	MUR
Not past due	2,079,091	-	1,652,796	-
Past due 31-60 days	1,683,618	-	1,150,908	-
Past due 61-120 days	663,074	-	596,363	-
Over 121 days	5,411,924	5,411,924	5,561,190	5,411,924
	<u>9,837,707</u>	<u>5,411,924</u>	<u>8,961,190</u>	<u>5,411,924</u>

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 month before 30 June 2022 and 2021 respectively and the corresponding historical credit losses experienced within this period.

Included in the Company's trade receivable balances are receivables with a carrying amount of MUR 7,758,616 (2021: MUR 7,308,394) which are past due at the reporting date for which the Company has not provided as there has not been a significant change in the credit quality of the receivables and the amounts are still considered recoverable.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

5. Financial risk management (continued)

Credit risk (continued)

Fair values

The fair values for both financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows:

	Carrying amount 2022 MUR	Fair value 2022 MUR	Carrying amount 2021 MUR	Fair value 2021 MUR
Financial assets				
Trade and other receivables	6,775,687	6,775,687	7,840,109	7,840,109
Cash and cash equivalents	141,898,774	141,898,774	191,166,989	191,166,989
Total Financial assets	<u>148,674,461</u>	<u>148,674,461</u>	<u>199,007,098</u>	<u>199,007,098</u>
Financial liabilities				
Lease liabilities	5,730,233	5,730,233	5,956,448	5,956,448
Trade and other payables	28,395,185	28,395,185	21,745,916	21,745,916
Total financial liabilities	<u>34,125,418</u>	<u>34,125,418</u>	<u>27,702,364</u>	<u>27,702,364</u>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

6. Property, plant and equipment

	Land and building MUR	Assets taken over from MBC MUR	Plant and equipment MUR	Furniture and fittings MUR	Computer and office equipment MUR	Motor vehicles MUR	Total MUR
<i>Cost</i>							
At 01 July 2020	12,626,785	125,000,000	322,357,330	213,105	2,794,230	8,815,454	471,806,904
Additions during the year	-	-	18,921,263	16,440	359,962	3,076,735	22,374,400
Disposals during the year	-	-	-	-	(51,200)	(2,619,600)	(2,670,800)
At 30 June 2021	12,626,785	125,000,000	341,278,593	229,545	3,102,992	9,272,589	491,510,504
Additions during the year	-	-	41,366,128	17,991	65,609	-	41,449,728
At 30 June 2022	12,626,785	125,000,000	382,644,721	247,536	3,168,601	9,272,589	532,960,232
<i>Accumulated depreciation</i>							
At 01 July 2020	8,153,856	125,000,000	247,004,748	184,879	2,481,589	4,824,358	387,649,430
Charge for the year	623,339	-	13,003,003	9,897	172,780	1,730,960	15,539,979
Released on disposal	-	-	-	-	(22,400)	(2,619,600)	(2,642,000)
At 30 June 2021	8,777,195	125,000,000	260,007,751	194,776	2,631,969	3,935,718	400,547,409
Charge for the year	623,339	-	16,666,153	6,210	170,592	1,730,960	19,197,254
At 30 June 2022	9,400,534	125,000,000	276,673,904	200,986	2,802,561	5,666,678	419,744,663
<i>Carrying amount</i>							
Balance at 30 June 2022	3,226,251	-	105,970,817	46,550	366,040	3,605,911	113,215,569
Balance at 30 June 2021	3,849,590	-	81,270,842	34,769	471,023	5,336,871	90,963,095

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

6. Property, plant and equipment (continued)

- a) Further to the Memorandum of Agreement between Mauritius Broadcasting Corporation (MBC) and MULTI CARRIER (MAURITIUS) LIMITED dated 02 April 2002, the Company acquired MBC's assets relating to transmission services for a total consideration of MRU 125,000,000.
- b) Depreciation of MUR 19,197,254 (2021: MUR 15,539,979) has been charged to administrative expenses.

7. Right-of-use assets

	2022 MUR	2021 MUR
At 01 July	5,573,067	5,972,860
Amortisation during the year	(399,793)	(399,793)
At 30 June	5,173,273	5,573,067

8. Trade and other receivables

	2022 MUR	2021 MUR
Trade receivables	9,837,707	8,961,257
Less allowance for impairment	(5,411,924)	(5,411,924)
Net trade receivables	4,425,783	3,549,333
Other receivables	2,745,060	4,290,776
Prepayments	496,846	-
	7,667,689	7,840,109

Allowance for impairment are as follows:

	2022 MUR	2021 MUR
At 01 July	5,411,925	5,630,407
Charge to profit or loss during the year	1,051,603	(218,483)
Less release during the year	(1,051,603)	-
	5,411,925	5,411,924

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

9. Stated capital

	2022 MUR	2021 MUR
<i>Authorised, issued and fully paid</i>		
2,190,000 Ordinary shares of MUR 100 each	219,000,000	219,000,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time and has the rights to vote as Shareholder's meetings of the Company.

10. Retirement benefits obligations

- (i) The assets of the plan are independently administered by The State Insurance Company of Mauritius Ltd.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at 30 June 2022 by The State Insurance Company of Mauritius Ltd. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	2022 MUR	2021 MUR
Present value of funded obligations	132,263,526	115,268,956
Fair value of plan assets	(43,339,727)	(45,197,537)
Asset in the statement of financial position	88,923,799	70,071,419

The reconciliation of the opening balances to the closing balances for the net defined benefit asset is as follows:

	2022 MUR	2021 MUR
At 01 July	70,071,419	49,527,754
Charged to profit or loss	4,679,611	3,574,700
Charged to other comprehensive income	15,569,040	18,328,823
Contribution paid	(1,396,271)	(1,359,858)
At 30 June	88,923,799	70,071,419

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

10. Retirement benefits obligations (continued)

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

	2022 MUR	2021 MUR
At 01 July	115,268,956	96,663,356
Current service cost	1,998,100	2,459,168
Interest cost	5,648,179	3,479,880
Contributions by plan participants	(3,977,480)	(6,619,427)
Actuarial losses/ (gains)	13,325,771	19,285,979
At 30 June	132,263,526	115,268,956

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

	2022 MUR	2021 MUR
At 01 July	45,197,537	47,135,602
Expected return on plan assets	2,170,935	1,615,685
Employer contributions	1,396,271	1,359,858
Employee contributions	930,848	906,571
Benefit paid	(4,112,594)	(6,777,335)
Actuarial (losses)/ gains	(2,243,270)	957,156
At 30 June	43,339,727	45,197,537

(v) The amount recognised in the statement of profit or loss are as follows:

	2022 MUR	2021 MUR
Current service cost	1,998,100	2,459,168
Contribution by employees	(930,847)	(906,571)
Fund expenses and life insurance	135,114	157,908
Interest costs	3,477,244	1,864,195
Total included in employee benefit expense	4,679,611	3,574,700

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

10. Retirement benefits obligations (continued)

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

	2022 MUR	2021 MUR
<u>Remeasurement on the net defined benefit liability:</u>		
Liability experience loss	13,325,770	19,285,979
Asset experience loss/ (gain)	2,243,270	(957,156)
Loss recognised in other comprehensive income	15,569,040	18,328,823

(vii) Distribution of plan assets at the end of the year:

	2022 %	2021 %
<u>Percentage of assets at end of year:</u>		
Fixed interest securities and cash	58.0	54.80
Loans	2.90	2.80
Local bond and equities	13.60	11.80
Overseas bonds and equities	25.0	30.10
Property	0.5	0.05
Total	100	100

(viii) The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets.

The company's ordinary shares are not included in the pension plan assets.

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

	2022 %	2021 %
Discount rate	5.20	4.90
Expected rate of return on plan assets	5.20	4.90
Future salary increases	3.50	3.00
Future pension increases	2.50	2.00

(x) Security analysis on defined benefit obligations at end of the reporting date

	2022 MUR	2021 MUR
Discount rate (1% movement)	15,800,000	17,200,000
Future salary growth rate (1% movement)	8,200,000	7,500,000
Life expectancy (1% movement)	3,900,000	3,300,000

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

10. Retirement benefits obligations (continued)

- (x) Security analysis on defined benefit obligations at end of the reporting date (continued)

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above has been determined on a method that extrapolates the impact on net defined obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligations has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

- (xi) The defined benefit pension plan exposes the Company to actuarial risks, such as longevity risks, salary risk, investment risk and interest rate risk.
- (xii) The funding requirement are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.
- (xiii) The Company is expected to contribute MUR 1,418,910 (2021: MUR 1,278,444) to the pension scheme for the year ending 30 June 2023.
- (xiv) The weighted average duration of the liabilities as at 30 June 2022 is 13 years.

11. Lease liabilities

	2022 MUR	2021 MUR
At 01 July	5,956,448	6,169,638
Interest expense	297,585	307,973
Less lease payments	(523,800)	(521,163)
At 30 June	5,730,233	5,956,448
	2022 MUR	2021 MUR
Non-current	5,506,171	5,736,580
Current	224,062	219,868
At 30 June	5,730,233	5,956,448

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

11. Lease liabilities (continued)

(a) Nature of leasing activities (in the capacity as lessee)

The Company leases land from which it operates. The periodic rent is fixed over the lease term.

(b) Fixed/variable lease payments

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

<u>30 June 2022</u>	<i>Lease Contracts</i>	<i>Fixed payments</i>	<i>Variable payments</i>	<i>Sensitivity</i>
	Number%	%	MUR	
Land lease	1	-	-	N/A
Land lease	2	-	-	N/A
Land lease	3	-	-	N/A
Land lease	4	-	-	N/A
Land lease	5	-	-	N/A
Land lease	6	-	-	N/A
Land lease	7	-	-	N/A
Land lease	8	-	-	N/A
Land lease	9	-	-	N/A
Land lease	10	-	-	N/A
Land lease	11	-	-	N/A

(c) Extension and termination options

Extension and termination options are included in the land lease contracted by the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

(d) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

As at 30 June 2022, potential future cash outflows of MUR Nil (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

12. Trade and other payables

	2022 MUR	2021 MUR
Trade payables	22,312,062	13,366,725
Advance payment from clients	675,402	-
Accrual and other payables	6,083,125	8,379,191
	<u>29,070,589</u>	<u>21,745,916</u>

Included in other payables and accruals are provisions for vacation leave of MUR 1,469,067 (2021: MUR 1,469,067) and provision for sick leave of MUR 138,424 (2021: MUR 138,424) following taken over from MBC.

13. Revenue

	2022 MUR	2021 MUR
Transmission fees	77,249,939	77,410,395
	<u>77,249,939</u>	<u>77,410,395</u>

14. Other income

	2022 MUR	2021 MUR
Collocation income	11,790,712	11,257,160
Sundry income	49,600	8,347,500
Interest income on staff loans	96,691	103,944
Gain on disposal of property, plant and equipment	-	1,447,382
	<u>11,937,003</u>	<u>21,155,986</u>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

15. Administrative expenses

	2022 MUR	2021 MUR
Depreciation of property, plant and equipment	19,197,254	15,539,979
Amortisation of right-of-use assets	399,793	399,793
Employee benefit expenses (below note)	33,163,612	30,472,108
Electricity	11,713,137	13,911,148
Collocation expenses	1,092,016	1,040,018
Repairs and maintenance	1,017,781	1,046,376
Licences	497,333	1,221,200
Directors fees	1,106,040	1,095,540
Professional fees	1,084,467	941,900
Motor vehicle expenses	930,109	1,076,867
Insurance	727,074	810,564
Telephone	618,863	636,637
Net provision for loss allowance	-	(218,482)
Penalties for RFI and Eutelsat	-	2,513,699
Other expenses	615,229	581,366
	<u>72,162,708</u>	<u>71,068,713</u>

The employee benefit expenses are made up of the below:

	2022 MUR	2021 MUR
Wages and salaries	29,507,874	27,535,895
Social security costs	3,412,180	2,695,746
Pension costs	243,558	240,467
	<u>33,163,612</u>	<u>30,472,108</u>

16. Net finance costs

	2022 MUR	2021 MUR
Interest on lease liabilities	297,585	307,973
Unrealised foreign exchange (gain)/ loss	(20,979)	804,495
	<u>276,606</u>	<u>1,112,468</u>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

17. Taxation

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

Income tax expense

	2022	2021
	MUR	MUR
Income tax expense	-	3,696,845
Corporate social responsibility (CSR)	596,612	700,629
CSR paid	-	(257,358)
Movement in deferred tax	(4,957,995)	777,747
Over provision in prior years	(492,913)	(474,784)
	<u>(4,854,296)</u>	<u>4,443,079</u>

Reconciliation of effective tax

	2022	2021
	MUR	MUR
(Loss)/ profit before taxation	<u>(33,253,372)</u>	<u>26,385,200</u>
Income tax at 15%	(4,987,856)	3,957,780
Non-taxable income	(3,147)	(280,167)
Non-deductible expense	111,577	796,979
Allowable expenses	(78,569)	-
Over provision in prior years	(492,913)	(474,784)
CSR paid during the year	-	(257,358)
Provision for CSR	596,612	700,629
Deferred tax recognised during the year	(4,957,995)	-
Tax expense	<u>(4,854,296)</u>	<u>4,443,079</u>

Deferred tax assets are as follows:

	2022	2021
	MUR	MUR
At 1 July	4,298,299	1,960,146
Net movement in deferred tax recognised in profit or loss	4,957,995	(777,747)
Net movement in deferred tax recognised in equity	2,645,737	3,115,900
At 30 June	<u>11,903,031</u>	<u>4,298,299</u>

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

17. Taxation (continued)

Deferred tax assets are as follows: (continued)

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2021: 17%).

Net movement in deferred tax is made of:	2022 MUR	2021 MUR
Deferred tax asset on retirement benefit obligations	15,117,046	11,912,141
Deferred tax assets on tax losses	5,017,244	-
Deferred tax liability on property, plant and equipment	(8,231,259)	(7,613,842)
	<u>11,903,031</u>	<u>4,298,299</u>

Income tax (receivable)/payable is as follows:

	2022 MUR	2022 MUR
At 1 July	1,624,266	3,279,624
Provision during the year	596,612	4,397,474
Payments during the year	(4,717,381)	(5,578,048)
Over provision in prior years	(492,913)	(474,784)
At 30 June	<u>(2,989,416)</u>	<u>1,624,266</u>

18. Related party transactions

During the year under review, the Company entered into the following related party transactions.

	Nature	2022 MUR	2021 MUR
<i>Transactions during the year:</i>			
Remuneration	<i>Key management</i>	2,671,707	2,661,207
Grant expense *	<i>Shareholder</i>	<u>50,000,000</u>	<u>-</u>

* During the year, the Company has given a non-refundable grant to the Government of Mauritius for MUR 50,000,000.

MULTI CARRIER (MAURITIUS) LIMITED

Notes to and forming part of the financial statements
for the year ended 30 June 2022

19. Notes to the statement of cash flows

Reconciliation of liabilities arising from financing activities

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

	At start of year	Financing cash flows	Non-cash changes	At end of year
Lease liabilities	5,956,448	(523,800)	297,585	5,730,233

20. Capital 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 the Shareholder and benefits to 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 dividends paid to the Shareholder, return capital to the Shareholder, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of gearing ratio.

21. Events after the reporting period

There have been no other material events after the reporting date, which would require disclosure or adjustment to the financial statements for the year ended 30 June 2022.