

STOR SYSTEMS LTD

FINANCIAL STATEMENTS - FOR THE YEAR ENDED

JUNE 30, 2020

STOR SYSTEMS LTD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

CONTENTS	PAGES
MANAGEMENT AND ADMINISTRATION	2
DIRECTORS' REPORT	3
INDEPENDENT AUDITORS' REPORT	4-6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11-25

STOR SYSTEMS LTD

MANAGEMENT AND ADMINISTRATION

DIRECTORS :	Date of appointment	Date of resignation
Khulputea Jumbraj	May 08, 2018	-
Khulputea Sakun	June 18, 2018	-
Ruchchan Kiran Kumar	June 18, 2018	-

REGISTERED OFFICE : Royal Road,
New Grove,
Republic of Mauritius.

AUDITORS : BIT Associates
Chartered Certified Accountants & Registered Auditors
50 Avenue Des Mouettes,
Sodnac,
Quatre Bornes,
Republic of Mauritius.

BANKER : The Mauritius Commercial Bank Ltd
Sir William Newton Street,
Port Louis,
Republic of Mauritius.

STOR SYSTEMS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2020

The directors have the pleasure to submit their report together with the audited financial statements of STOR SYSTEMS LTD (the "Company") for the year ended June 30, 2020.

PRINCIPAL ACTIVITY

Stor Systems Ltd is an Information and Communication Technology company providing end-to-end solutions to customers comprising of IT infrastructure, communication, middleware/database and security. The company is an authorized partner of some major IT brands such as Oracle, IBM, Microsoft, Veritas, Symantec and HP.

RESULTS AND DIVIDENDS

The results for the year are as shown in the statement of profit or loss and other comprehensive income on page 8.

A dividend of Rs 341,774 was proposed and paid during the year ended June 30, 2020 (2019: Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors acknowledge their responsibilities for:

- (i) the maintenance of adequate accounting records and effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS); and
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

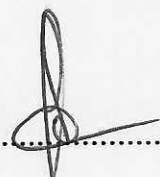
The directors report that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iii) International Financial Reporting Standards have been adhered to. *Any departure in the interest of fair presentation has been disclosed, explained and quantified.*

AUDITORS

The auditors, **BIT Associates**, have expressed their willingness to continue in office and will be automatically re-appointed.

Signed on behalf of the Board of Directors:.....

 Jumbraj Khulputea

Date: 30 Sep 2020

INDEPENDENT AUDITORS' REPORT

**To the Shareholder of
STOR SYSTEMS LTD**

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of **STOR SYSTEMS LTD** (the Company), on pages 7 to 25 which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 7 to 25 give a true and fair view of the financial position of the Company as at June 30, 2020, and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditors' report thereon.

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

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

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

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

INDEPENDENT AUDITORS' REPORT

**To the Shareholder of
STOR SYSTEMS LTD**

**Responsibilities of Directors and Those Charged with Governance for the Financial Statements
(continued)**

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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



Chartered Certified Accountants

INDEPENDENT AUDITOR'S REPORT

**To the Shareholder of
STOR SYSTEMS LTD**

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matter

This report is made solely to the shareholders of the Company, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Bit Associates

BIT ASSOCIATES
*Chartered Certified Accountants
& Registered Auditors*

DWARKA SOOCHIT, FCCA, FCMA, CGMA
Licensed by FRC

BIT ASSOCIATES

Quatre Bornes,
Mauritius

Date: 30 SEP 2020

STOR SYSTEMS LTD

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020**

	<u>Notes</u>	<u>2020</u> <u>MUR</u>	<u>2019</u> <u>MUR</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	1,993,849	173,326
Intangible asset	5(b)	18,958	41,708
		<u>2,012,807</u>	<u>215,034</u>
Current assets			
Inventory and work in progress	6	22,512	4,575,663
Trade and other receivables	7	24,262,797	19,883,526
Cash and cash equivalents	8	11,074,045	4,339,133
		<u>35,359,354</u>	<u>28,798,322</u>
Total assets		<u>37,372,161</u>	<u>29,013,356</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	50,000	50,000
Retained earnings		8,442,060	3,417,739
Total equity		<u>8,492,060</u>	<u>3,467,739</u>
Non-current liabilities			
Borrowings	10	1,545,772	2,581,948
Current liabilities			
Trade and other payables	11	26,252,990	22,619,457
Borrowings	10	235,346	-
Tax liability	12	845,993	344,212
		<u>27,334,329</u>	<u>22,963,669</u>
Total equity and liabilities		<u>37,372,161</u>	<u>29,013,356</u>

These financial statements have been approved by the Board of Directors on 30 SEP 2020 and signed on its behalf by:

Jumbraj Khulpurke
DIRECTOR'S NAME

[Signature]
SIGNATURE

Kiran Ramesh
DIRECTOR'S NAME

[Signature]
SIGNATURE

The notes on pages 11 to 25 form an integral part of these financial statements.
Independent auditors' report is on pages 4 to 6.

STOR SYSTEMS LTD

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Notes</u>	<u>2020</u> <u>MUR</u>	<u>2019</u> <u>MUR</u>
Turnover	2.3	137,293,974	40,243,361
Cost of sales		<u>(115,721,080)</u>	<u>(32,547,551)</u>
Gross profit		21,572,894	7,695,810
Administrative expenses		(15,654,021)	(3,923,217)
Depreciation and amortisation	5(a),(b)	(146,963)	(24,790)
Finance income		<u>390,514</u>	<u>14,148</u>
Profit before tax		6,162,424	3,761,951
Taxation	12	<u>(796,329)</u>	<u>(344,212)</u>
Profit for the year / period		5,366,095	3,417,739
Other comprehensive income for the year / period		-	-
Total comprehensive income for the year / period		<u><u>5,366,095</u></u>	<u><u>3,417,739</u></u>

The notes on pages 11 to 25 form an integral part of these financial statements.
Independent auditors' report is on pages 4 to 6.

STOR SYSTEMS LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Stated capital</u> MUR	<u>Retained earnings</u> MUR	<u>Total</u> MUR
Balance at May 08, 2018	-	-	-
Issue of shares	50,000	-	50,000
Total comprehensive income for the period:			
- Profit for the period	-	3,417,739	3,417,739
- Other comprehensive loss	-	-	-
Balance at June 30, 2019	<u>50,000</u>	<u>3,417,739</u>	<u>3,467,739</u>
Balance at July 01, 2019	50,000	3,417,739	3,467,739
Total comprehensive income for the year:			
- Profit for the year	-	5,366,095	5,366,095
- Other comprehensive loss	-	-	-
Dividend paid	-	(341,774)	(341,774)
Balance at June 30, 2020	<u>50,000</u>	<u>8,442,060</u>	<u>8,492,060</u>

The notes on pages 11 to 25 form an integral part of these financial statements.
Independent auditors' report is on pages 4 to 6.

STOR SYSTEMS LTD
**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Notes	2020 MUR	2019 MUR
Profit before tax		6,162,424	3,761,951
<i>Adjustments for:</i>			
Depreciation and amortisation		146,963	24,790
Foreign exchange gain		(390,514)	(14,148)
		5,918,873	3,772,593
Changes in working capital:			
-Decrease / (Increase) in inventory	6	4,553,151	(4,575,663)
-Increase in trade and other receivables	7	(4,379,271)	(19,883,526)
-Increase in other payables	11	3,633,533	22,619,457
Cash generated from operations		9,726,286	1,932,861
Taxation paid	12	(294,548)	-
Dividend paid		(341,774)	-
Net cash flows from operating activities		9,089,964	1,932,861
Cash flows from investing activities			
Purchase of property, plant and equipment	5(a)	(1,944,736)	(194,324)
Purchase of intangible asset	5(b)	-	(45,500)
Net cash flows absorbed into investing activities		(1,944,736)	(239,824)
Cash flows from financing activities			
Issue of shares		-	50,000
(Repayment of) / proceeds from loan from related parties	10	(1,813,899)	2,581,948
Proceeds from leasing	10	973,723	-
Proceeds from borrowings	10	39,346	-
Net cash flows (absorbed into) / from financing activities		(800,830)	2,631,948
Increase in cash and cash equivalents		6,344,398	4,324,985
Movement in cash and cash equivalents			
At July 01, 2019 / May 08, 2018		4,339,133	-
Increase		6,344,398	4,324,985
Effects of foreign exchange difference		390,514	14,148
At June 30, 2020 / 2019		11,074,045	4,339,133
(a) Net cash and cash equivalents			
Cash at bank	8	11,074,045	4,339,133
		11,074,045	4,339,133

The notes on pages 11 to 25 form an integral part of these financial statements.
Independent auditors' report is on pages 4 to 6.

1. GENERAL INFORMATION

STOR SYSTEMS LTD was incorporated May 08, 2018 as a private company limited by shares and is domiciled in Mauritius. Its registered address is Royal Road, New Grove, Mauritius.

These financial statements will be submitted for consideration and approval at the Annual Meeting of shareholders of the company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Company comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, except that:

- (i) relevant financial assets and financial liabilities are stated at their fair values; and
- (ii) relevant financial assets and financial liabilities are carried at amortised cost.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

There were no major estimates and assumptions made during the year that have a significant risk of causing material adjustment to the carrying amounts of the company's assets and liabilities within the next financial year.

Standards, Amendments to published Standards and Interpretations effective in the reporting

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 01, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

The adoption of IFRS 16 has had no significant impact on the Company's financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Company's financial statements.

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Company's financial statements.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Company's financial statements.

Annual Improvements to IFRSs 2015-2017 Cycle

- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 - clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 - clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 - clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

Annual Improvements to IFRSs 2015-2017 Cycle (continued)

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.

- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 01, 2020 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- IFRS 17 Insurance Contracts
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Annual Improvements 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts-Cost of Fulfilling a Contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Covid-19-Related Rent Concessions (Amendment to IFRS 16)
- Amendments to IFRS 17
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Foreign currency transactions***Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Mauritian Rupee ("MUR") which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

2.3 Revenue recognition*Revenue from contracts with customers**Performance obligations and timing of revenue recognition*

The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with the customer.

Determining the transaction price and allocation of revenue earned to performance obligation

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.

Interest income is recognised using the effective interest method.

2.4 Expense recognition

All expenses are accounted for in the profit or loss on the accruals basis.

2.5 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Furniture and fittings	33%
Computer equipment	33%
Buildings	20%
Motor vehicle	20%

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at the end of each reporting period.

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

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Current and deferred income tax

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

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

2.9 Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

The Company's accounting policies in respect of the main financial instruments are set out below:

(i) Amortised cost

Trade and other receivables

Trade and other receivables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which the liability was acquired. The Company's accounting policy for other financial liabilities is as follows:

Short-term monetary liabilities are stated at fair value and subsequently measured at amortised cost using the effective interest method.

The Company's financial liabilities include the following:

(i) Loan payable to related parties

Loan payable to related parties is initially stated at fair value being funds received from related parties. Loan payable to related parties is subsequently stated at amortised cost.

(ii) Trade and other payables

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Borrowings

Borrowings are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Lease liabilities

Lease liabilities are classified as finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Plant and equipment acquired under finance lease contracts are depreciated over the useful life of the asset.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. The costs of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.13 Stated Capital

Ordinary shares are classified as equity.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, short term highly liquid investments with original maturity of 3 months or less. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.15 Related parties

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks, including:

- Liquidity risk;
- Currency risk;
- Credit risk;
- Interest rate risk; and
- Capital risk.

A description of the significant risk factor is given below together with the risk management policies applicable.

(i) Liquidity risk

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

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date.

	Within 1 year MUR	Repayable on demand MUR	Total MUR
<u>2020</u>			
Trade and other payables	26,252,990	-	26,252,990
Borrowings	-	1,545,772	1,545,772
	<u>26,252,990</u>	<u>1,545,772</u>	<u>27,798,762</u>
<u>2019</u>			
Trade and other payables	22,619,457	-	22,619,457
Borrowings	-	2,581,948	2,581,948
	<u>22,619,457</u>	<u>2,581,948</u>	<u>25,201,405</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**3.1 Financial risk factors (continued)****(ii) Currency risk**

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

	Financial assets	Financial liabilities
<u>2020</u>	MUR	MUR
Mauritian Rupees ("MUR")	15,678,998	10,841,446
United States Dollar ("USD")	18,851,751	17,924,608
	34,530,749	28,766,054
	Financial assets	Financial liabilities
	MUR	MUR
<u>2019</u>		
Mauritian Rupees ("MUR")	13,290,663	25,201,405
United States Dollar ("USD")	10,931,996	-
	24,222,659	25,201,405

(iii) Credit risk

Credit risk is primarily attributable to trade and other receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experiences and the current environment.

(iv) Interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for the shareholder and benefits for other stakeholder; and
- To provide an adequate return to the shareholder.

(v) Capital risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged during the year under review.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**3.1 Financial risk factors (continued)****(v) Capital risk (continued)***Gearing ratio*

The Company's management reviews the capital structure on a regular basis and as part of this review management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at end of year was as follows:

	<u>2020</u>	<u>2019</u>
	MUR	MUR
Equity	8,492,060	3,467,739
Net debt (total liabilities less cash and cash equivalents)	<u>17,806,056</u>	<u>21,206,484</u>
Total debt and equity	<u>26,298,116</u>	<u>24,674,223</u>
Gearing Ratio	<u>0.32</u>	<u>0.14</u>

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Company using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate.

The Company would exercise judgement and estimates on the quantity and quality of value sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

5(a). PROPERTY, PLANT AND EQUIPMENT

	Land and Building	Motor vehicle	Furniture and Fittings	Computer equipment	Total
<u>2020</u>	MUR	MUR	MUR	MUR	MUR
COST					
At July 01, 2019	-	-	-	194,324	194,324
Additions	525,000	1,357,150	15,648	46,938	1,944,736
At June 30, 2020	<u>525,000</u>	<u>1,357,150</u>	<u>15,648</u>	<u>241,262</u>	<u>2,139,060</u>
DEPRECIATION					
At July 01, 2019	-	-	-	20,998	20,998
Charge for the year	8,750	33,750	3,912	77,801	124,213
At June 30, 2020	<u>8,750</u>	<u>33,750</u>	<u>3,912</u>	<u>98,799</u>	<u>145,211</u>
NET BOOK VALUE					
At June 30, 2020	<u>516,250</u>	<u>1,323,400</u>	<u>11,736</u>	<u>142,463</u>	<u>1,993,849</u>

	Computer equipment	Total
<u>2019</u>	MUR	MUR
COST		
At May 08, 2019	-	-
Additions	194,324	194,324
At June 30, 2019	<u>194,324</u>	<u>194,324</u>
DEPRECIATION		
At May 08, 2019	-	-
Charge for the year	20,998	20,998
At June 30, 2019	<u>20,998</u>	<u>20,998</u>
NET BOOK VALUE		
At June 30, 2019	<u>173,326</u>	<u>173,326</u>

STOR SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
5(b). INTANGIBLE ASSET

	2020	2019
	Computer software	Computer software
	MUR	MUR
COST		
At July 01, 2019 / May 08, 2018	45,500	45,500
Additions	-	-
At June 30, 2020 / 2019	45,500	45,500
AMORTISATION		
At July 01, 2019 / May 08, 2018	3,792	-
Charge for the year / period	22,750	3,792
At June 30, 2020 / 2019	26,542	3,792
NET BOOK VALUE		
At June 30, 2020 / 2019	18,958	41,708
6. INVENTORY	2020	2019
	MUR	MUR
Closing stock	22,512	649,240
Work in progress	-	3,926,423
	22,512	4,575,663
7. TRADE AND OTHER RECEIVABLES	2020	2019
	MUR	MUR
Trade receivables	23,392,549	19,883,526
Other receivables	64,155	-
Prepayments	806,093	-
	24,262,797	19,883,526
8. CASH AND CASH EQUIVALENTS	2020	2019
	MUR	MUR
Cash at bank	11,074,045	4,339,133
9. SHARE CAPITAL	2020	2019
	MUR	MUR
<u>Issued and fully paid</u>		
50 Ordinary shares of Rs 1,000 each	50,000	50,000

9. SHARE CAPITAL (CONTINUED)*Rights and restrictions attached to ordinary shares:*Voting rights

Each ordinary share shall entitle its holder to receive notice of, and to attend and vote at any meeting of the Company.

Rights relating to dividends

Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

Rights relating to repayment of capital

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the company.

10. BORROWINGS

	<u>2020</u>	<u>2019</u>
	MUR	MUR
Payable to related parties	768,049	2,581,948
Leasing liabilities:		-
<i>Current</i>	196,000	-
<i>Non-current</i>	777,723	-
Credit card	39,346	-
	<u>1,781,118</u>	<u>2,581,948</u>

Loan from related parties are interest free and repayable upon demand.

11. TRADE AND OTHER PAYABLES

	<u>2020</u>	<u>2019</u>
	MUR	MUR
Trade payables	18,475,895	21,274,250
Other payables	7,777,095	1,345,207
	<u>26,252,990</u>	<u>22,619,457</u>

12. TAXATION

The company is taxable at 3% (exports) and 15% (local sales) on its tax adjusted profit for the year. There is no tax on capital gains in Mauritius.

	<u>2020</u>	<u>2019</u>
	MUR	MUR
<i>Tax liability</i>		
At July 01,	344,212	-
Tax charge for the year / period	783,178	344,212
Tax overprovision	(49,664)	-
CSR	62,815	-
Paid during the year / period	(294,548)	-
At June 30,	<u>845,993</u>	<u>344,212</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

12. TAXATION (CONTINUED)	2020	2019
	MUR	MUR
<i>Tax expense</i>		
Profit before tax	6,162,424	3,761,951
Add unauthorised deductions	201,963	29,057
Less allowable deductions	(452,092)	(119,912)
Chargeable income	5,912,295	3,671,096
Tax at 15%	757,262	292,599
Tax at 3%	25,916	51,613
CSR	62,815	-
Tax overprovision	(49,664)	-
Total tax expense	796,329	344,212

13. DIVIDEND

A dividend of Rs 341,774 was proposed and paid during the year ended June 30, 2020 (2019: Nil).

14. RELATED PARTY TRANSACTIONS

During the year/ period ended June 30, 2020 and 2019, the Company had transactions with related parties. The nature, transactions and the balances with the related parties are as follows:

Name of related party	Relationship	Nature of transaction	Transactions for the year/ period ended		Balance payable	
			2020	2019	2020	2019
			MUR	MUR	MUR	MUR
Stor Enterprises Ltd	Shareholder	Loan payable	(250,950)	803,463	552,513	803,463
Stor Systems Zambia Ltd	Sister company	Loan payable	(1,562,949)	1,778,485	215,536	1,778,485

15. GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholder. The directors are of the opinion that this support will be forthcoming over the foreseeable future. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

16. CONTINGENT LIABILITY

Infosystems AA Ltd had applied for an interim injunction against Stor Systems Ltd to stop the latter from contacting its customers. This injunction was not granted by Supreme Courts. However, there were exchange of affidavits between both parties and the final hearing was set for the October 15, 2019 but the judge postponed the hearing to early 2020. The hearing was held on March 04, 2020 and the interim injunction was dismissed. Stor Systems Ltd was cleared to conduct its business.

STOR SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

17. CAPITAL COMMITMENT

At June 30, 2020, the Company had no capital commitment.

15. HOLDING COMPANY

The holding company is Stor Entreprises Ltd, a company incorporated in Mauritius.

18. EVENTS AFTER THE REPORTING PERIOD

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. At this point, the company cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on the business, results of operations, financial position and cash flows.

STOR SYSTEMS LTD
SCHEDULE TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2020
APPENDIX I

1. COST OF SALES	2020	2019
	MUR	MUR
Purchases other	60,788,164	9,161,652
Purchases local	52,449,404	16,109,241
Overseas travelling	1,104,104	604,535
Cost of goods sold - local and foreign	506,959	6,407,519
Salaries	397,867	-
Freight charges	202,517	138,197
Clearing fees	195,265	93,093
Others	76,800	33,314
	115,721,080	32,547,551
2. ADMINISTRATIVE EXPENSES	2020	2019
	MUR	MUR
Administrative salaries	7,171,083	2,300,825
Professional fees	3,952,612	1,046,120
Licences	2,822,984	280,334
Director emoluments	754,612	-
Bank charges	259,871	107,205
Training	187,771	46,831
IT expenses	176,444	4,830
Medical staff costs	63,258	29,052
Entertainment	55,000	-
Telephone	42,419	5,389
Insurance	38,736	-
Commission and discounts	38,320	-
Motor vehicle running expenses	28,571	-
Printing and stationeries	27,665	11,233
Rent	11,598	55,000
Sponsorship	10,000	-
Other expenses	6,937	5,331
Marketing	6,140	-
Air tickets	-	26,800
Penalties and fines	-	4,267
	15,654,021	3,923,217

