STOR SYSTEMS LTD

FINANCIAL STATEMENTS - FOR THE YEAR ENDED

JUNE 30, 2021

STOR SYSTEMS LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

CONTENTS	PAGES

STOR SYSTEMS LTD

MANAGEMENT AND ADMINISTRATION

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

REGISTERED OFFICE :	Royal Road, New Grove, Republic of Mauritius.
COMPANY SECRETARY :	Mr. Ruchchan Kiran Kumar 84, Morcellement Providencia 11 Providence, Quartier Militaire 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, 2021

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, 2021.

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 MUR 536,609 was proposed and paid during the year ended June 30, 2021 (2020: MUR 341,774).

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:..............................

Date: 08 NOV 2021

STOR SYSTEMS LTD

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001

We certify, to the best of our knowledge and belief, that **Stor Systems Ltd** (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under Section 166 (d) of the Companies Act 2001 for the year ended 30 June 2021.

For and behalf of
Mr. Ruchchan Kiran Kumar
Company Secretary

84, Morcellement Providencia
11 Providence,
Quartier Militaire
Mauritius

Date: 08 NOV 2021

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 8 to 27 which comprise the statement of financial position as at June 30, 2021, 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 8 to 27 give a true and fair view of the financial position of the Company as at June 30, 2021, 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.

50, Avenue des Mouettes
Sodnac, Quatre Bornes, 72256
Mauritius
Tel.: (230) 464 6801
Email : bitassociates@intnet.mu

INDEPENDENT AUDITORS' REPORT
To the Shareholder of
STOR SYSTEMS LTD

Report on the Audit of the Financial Statements (continued)

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.

50, Avenue des Mouettes
Sodnac, Quatre Bornes, 72256
Mauritius
Tel.: (230) 464 6801
Email : bitassociates@intnet.mu

INDEPENDENT AUDITORS' REPORT
To the Shareholder of
STOR SYSTEMS LTD

Report on the Audit of the Financial Statements (continued)

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

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.

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 shareholder 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: 08 NOV 2021

50, Avenue des Mouettes
Sodnac, Quatre Bornes, 72256
Mauritius
Tel.: (230) 464 6801
Email : bitassociates@intnet.mu

STOR SYSTEMS LTD

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

ASSETS	Notes	2021 MUR	2020 MUR
Non-current assets			
Property, plant and equipment	5(a)	1,244,904	670,449
Right of use assets	5(b)	1,122,517	1,323,400
Intangible asset	5(c)	-	18,958
		2,367,421	2,012,807
Current assets			
Inventory and work in progress	6	-	22,512
Trade and other receivables	7	17,216,245	24,262,797
Cash and cash equivalents	8	9,634,750	11,074,045
		26,850,995	35,359,354
Total assets		29,218,416	37,372,161
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	50,000	50,000
Retained earnings		10,405,967	8,442,060
Total equity		10,455,967	8,492,060
Non-current liabilities			
Lease liabilities	11	676,181	777,723
		676,181	777,723
Current liabilities			
Trade and other payables	12	13,250,712	26,252,990
Borrowings	10	4,311,647	807,395
Lease liabilities	11	129,753	196,000
Tax liability	13	394,156	845,993
		18,086,268	28,102,378
Total equity and liabilities		29,218,416	37,372,161

These financial statements have been approved by the Board of Directors on 08 NOV 2021 and signed on its behalf by:

Jumbraj Khulputeea
DIRECTOR'S NAME **SIGNATURE**

Kiran Ruchan
DIRECTOR'S NAME **SIGNATURE**

The notes on pages 12 to 27 form an integral part of these financial statements.
Independent auditors' report is on pages 5 to 7.

STOR SYSTEMS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2021 MUR	2020 MUR
Turnover	2.3	73,670,678	137,293,974
Cost of sales		(59,750,349)	(115,721,080)
Gross profit		13,920,329	21,572,894
Administrative expenses		(11,064,315)	(15,654,021)
Depreciation and amortisation	5(a),(b)	(484,572)	(146,963)
Finance income		568,659	390,514
Profit before tax		2,940,101	6,162,424
Taxation	13	(439,585)	(796,329)
Profit for the year		2,500,516	5,366,095
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,500,516	5,366,095

The notes on pages 12 to 27 form an integral part of these financial statements.
Independent auditors' report is on pages 5 to 7.

STOR SYSTEMS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30,2021

	Stated capital	Retained earnings	Total
	MUR	MUR	MUR
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 income	-	-	-
Dividend paid	-	(341,774)	(341,774)
Balance at June 30, 2020	**50,000**	**8,442,060**	**8,492,060**
Balance at July 01, 2020	50,000	8,442,060	8,492,060
Total comprehensive income for the year:			
- Profit for the year	-	2,500,516	2,500,516
- Other comprehensive income	-	-	-
Dividend paid	-	(536,609)	(536,609)
Balance at June 30, 2021	**50,000**	**10,405,967**	**10,455,967**

The notes on pages 12 to 27 form an integral part of these financial statements.
Independent auditors' report is on pages 5 to 7.

STOR SYSTEMS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2021	2020
		MUR	MUR
Cash generated from operations			
Profit before tax		**2,940,101**	6,162,424
Adjustments for:			
Depreciation and amortisation	5(a),(b),(c)	**484,572**	146,963
Foreign exchange gain		**(568,659)**	(390,514)
		2,856,014	5,918,873
Changes in working capital:			
-Decrease in inventory and work in progress		**22,512**	4,553,151
-Decrease / (increase) in trade and other receivables		**7,046,552**	(4,379,271)
-(Decrease) / increase in other payables		**(13,002,278)**	3,633,533
Cash (absorbed into) / generated from operations		**(3,077,200)**	9,726,286
Taxation paid	13	**(856,924)**	(294,548)
Dividend paid	14	**(536,609)**	(341,774)
TDS claimed		**(34,498)**	-
Net cash flows (absorbed into) / generated from operating activities		**(4,505,231)**	9,089,964
Cash flows from investing activities			
Purchase of property, plant and equipment	5(a)	**(759,186)**	(1,944,736)
Purchase of right-of-use asset		**(80,000)**	-
Net cash flows absorbed into investing activities		**(839,186)**	(1,944,736)
Cash flows from financing activities			
Proceeds from / (repayment of) loan from related parties		**3,513,470**	(1,813,899)
(Repayment of) / proceeds from leasing		**(167,789)**	973,723
Repayment of borrowings		**(39,346)**	-
Proceeds from borrowings		**30,128**	39,346
Net cash flows generated from / (absorbed into) financing activities		**3,336,463**	(800,830)
(Decrease) / increase in cash and cash equivalents		**(2,007,954)**	6,344,398
Movement in cash and cash equivalents			
At July 01		**11,074,045**	4,339,133
(Decrease) / increase		**(2,007,954)**	6,344,398
Effects of foreign exchange difference		**568,659**	390,514
At June 30,		**9,634,750**	11,074,045
(a) Net cash and cash equivalents			
Cash at bank	8	**9,634,750**	11,074,045

The notes on pages 12 to 27 form an integral part of these financial statements.
Independent auditors' report is on pages 5 to 7.

1. GENERAL INFORMATION

STOR SYSTEMS LTD (the "Company") 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 shareholder 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.

2.1 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. The financial statements are prepared in Mauritian Rupee (MUR).

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.

New and amended IFRS Standards that are effective for the current year

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company and have no impact on the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

New and amended IFRS Standards that are effective for the current year (continued)

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID- 19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

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:

a) 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;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

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

Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 01 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Impact of the initial application of other new and amended IFRS Standards that are effective for the current year (continued)

Amendments to IFRS 3 Definition of a business

The Company has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

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

Amendments to IAS 1 and IAS 8 Definition of material

The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17	Insurance Contracts *Effective date: 01 January 2023*
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *Effective date: Not yet set by IASB*
Amendments to IAS 1	Classification of Liabilities as Current or Non-current *Effective date: 01 January 2023*
Amendments to IFRS 3	Reference to the Conceptual Framework *Effective date: 01 January 2022*
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use *Effective date: 01 January 2022*
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract *Effective date: 01 January 2022*
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards *Effective date: 01 January 2022*
	IFRS 9 Financial Instruments *Effective date: 01 January 2022*
	IFRS 16 Leases *No effective date is stated*
	IAS 41 Agriculture *Effective date: 01 January 2022*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

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	33.33%
Computer equipment	33.33%
Buildings	20%
Motor vehicle	20%
Tools and equipment	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 embodies 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).

2.8 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets

Intangible assets comprise purchased computer software and are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their estimated life of five years using the straight-line method. If there is an indication that there has been significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

2.10 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.

2.11 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.

2.12 Lease liabilities

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Lease liabilities (continued)

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
- 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;
- 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.

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

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

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

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

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

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

2.13 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.

2.14 Stated Capital

Ordinary shares are classified as equity.

2.15 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.

2.16 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
- Price risk.

A description of the significant risk factors 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	Repayable on demand	Total
	MUR	MUR	MUR
2021			
Trade and other payables	13,250,712	-	13,250,712
Borrowings	30,128	4,281,519	4,311,647
Lease liabilities	129,753	676,181	805,934
	13,410,593	4,957,700	18,368,293

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.1 Financial risk factors (continued)

	Within 1 year	Repayable on demand	Total
	MUR	MUR	MUR
2020			
Trade and other payables	26,252,990	-	26,252,990
Borrowings	39,346	768,049	807,395
Lease liabilities	196,000	777,723	973,723
	26,488,336	1,545,772	28,034,108

(ii) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company have monetary assets denominated in foreign currencies. The table below summarises the currency profile of the Company's financial assets and financial liabilities.

	Financial assets	**Financial liabilities**
2021	**MUR**	**MUR**
Mauritian Rupees ("MUR")	**3,162,539**	**7,627,201**
United States Dollar ("USD")	**23,284,920**	**10,741,092**
Euro - ("EUR")	**403,536**	**-**
	26,850,995	**18,368,293**

	Financial assets	Financial liabilities
2020	MUR	MUR
Mauritian Rupees ("MUR")	15,678,998	10,109,500
United States Dollar ("USD")	18,851,751	17,924,608
	34,530,749	28,034,108

Foreign currency risk management

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the changes in foreign exchange rate. The company has no significant monetary assets denominated in foreign currencies.

(iii) Credit risk

Credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. 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. The Company limits its exposure to credit and risk associated with its cash at bank by investing in reputable institution

(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.

(v) Price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.2 Capital risk factors

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.

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 the year was as follows:	**2021**	2020
	MUR	MUR
Equity	**10,455,967**	8,492,060
Net debt (total liabilities less cash and cash equivalents)	**8,733,543**	16,960,063
Total debt and equity	**19,189,510**	25,452,123
Gearing Ratio	**0.54**	0.33

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 are 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.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting estimates and assumptions (continued)

Limitation of sensitivity analysis (continued)

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

2021	Land and Building MUR	Furniture and Fittings MUR	Computer equipment MUR	Tools and Equipment MUR	Total MUR
COST					
At July 01, 2020	525,000	15,648	241,262	-	781,910
Additions	390,427	195,945	141,264	31,550	759,186
At June 30, 2021	**915,427**	**211,593**	**382,526**	**31,550**	**1,541,096**
DEPRECIATION					
At July 01, 2020	8,750	3,912	98,799	-	111,461
Charge for the year	40,028	23,410	118,664	2,629	184,731
At June 30, 2021	**48,778**	**27,322**	**217,463**	**2,629**	**296,192**
NET BOOK VALUE					
At June 30, 2021	**866,649**	**184,271**	**165,063**	**28,921**	**1,244,904**

2020	Land and Building MUR	Furniture and Fittings MUR	Computer equipment MUR	Total MUR
COST				
At July 01, 2019	-	-	194,324	194,324
Additions	525,000	15,648	46,938	587,586
At June 30, 2020	**525,000**	**15,648**	**241,262**	**781,910**
DEPRECIATION				
At July 01, 2019	-	-	20,998	20,998
Charge for the year	8,750	3,912	77,801	90,463
At June 30, 2020	**8,750**	**3,912**	**98,799**	**111,461**
NET BOOK VALUE				
At June 30, 2020	**516,250**	**11,736**	**142,463**	**670,449**

5(b). RIGHT-OF-USE ASSETS

	2021	2020
	Motor vehicles	**Motor vehicles**
	MUR	MUR
COST		
At July 01,	**1,357,150**	-
Additions	**80,000**	1,357,150
At June 30,	**1,437,150**	1,357,150
DEPRECIATION		
At July 01,	**33,750**	-
Charge for the year	**280,883**	33,750
At June 30,	**314,633**	33,750
NET BOOK VALUE		
At June 30,	**1,122,517**	1,323,400

5(c). INTANGIBLE ASSET

	2021	2020
	Computer software	Computer software
	MUR	MUR
COST		
At July 01,	**45,500**	45,500
Additions	-	-
At June 30,	**45,500**	45,500
AMORTISATION		
At July 01,	**26,542**	3,792
Charge for the year	**18,958**	22,750
At June 30,	**45,500**	26,542
NET BOOK VALUE		
At June 30,	-	18,958

6. INVENTORY AND WORK IN PROGRESS

	2021	2020
	MUR	MUR
Closing stock	-	22,512

7. TRADE AND OTHER RECEIVABLES

	2021	2020
	MUR	MUR
Trade receivables	**17,215,245**	23,392,549
Other receivables	**1,000**	64,155
Prepayments	-	806,093
	17,216,245	24,262,797

8. CASH AND CASH EQUIVALENTS

	2021	2020
	MUR	MUR
Cash at bank	9,634,750	11,074,045

9. STATED CAPITAL

	2021	2020
	MUR	MUR
Issued and fully paid		
50 Ordinary shares of Rs 1,000 each	50,000	50,000

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

	2021	2020
	MUR	MUR
Payable to related parties (note 14)	4,281,519	768,049
Credit card	30,128	39,346
	4,311,647	807,395

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

11. LEASE LIABILITIES

	2021	2020
	MUR	MUR
Current liability		
Lease - Motor Vehicles	129,753	196,000
Non- current liability		
Lease - Motor Vehicles	676,181	777,723

12. TRADE AND OTHER PAYABLES

	2021	2020
	MUR	MUR
Trade payables	10,998,535	18,475,895
Other payables	2,252,177	7,777,095
	13,250,712	26,252,990

13. TAXATION

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

Tax liability	**2021** **MUR**	2020 MUR
At July 01,	**845,993**	344,212
Tax charge for the year	**310,408**	783,178
Tax underprovision / (overprovision)	**10,931**	(49,664)
CSR	**118,246**	62,815
Paid during the year	**(856,924)**	(294,548)
Less: TDS Receivables	**(34,498)**	-
At June 30,	**394,156**	845,993

Tax expense		
Profit before tax	**2,940,101**	6,162,424
Add unauthorised deductions	**498,897**	201,963
Less allowable deductions	**(476,117)**	(452,092)
Chargeable income	**2,962,881**	5,912,295
Tax at 15%	**276,902**	757,262
Tax at 3%	**33,506**	25,916
CSR	**118,246**	62,815
Tax underprovision / (overprovision)	**10,931**	(49,664)
Total tax expense	**439,585**	796,329

14. DIVIDEND

A dividend of MUR 536,609 was proposed and paid during the year ended June 30, 2021 (2020: MUR 341,774).

15. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2021 and 2020, 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 ended**		**Balance payable**	
			2021 **MUR**	2020 MUR	**2021** **MUR**	2020 MUR
Stor Enterprises Ltd	Shareholder	Loan payable	**(504,030)**	(520,950)	**48,483**	552,513
Stor Systems Zambia Ltd	Sister company	Loan payable	**4,017,500**	(1,562,949)	**4,233,036**	215,536

16. 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 foreseable future. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

17. CONTINGENT LIABILITIES

At June 30, 2021, the Company had no contingent liabilities. (2020: Nil)

18. CAPITAL COMMITMENTS

At June 30, 2021, the Company had no capital commitments. (2020: Nil)

19. HOLDING COMPANY

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

20. COVID IMPACT ASSESSMENT

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.

21. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which may have a material impact on the financial statements as at June 30, 2021.

STOR SYSTEMS LTD

SCHEDULE TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2021

APPENDIX I

1. COST OF SALES

	2021	2020
	MUR	MUR
Purchases other	**49,464,845**	60,788,164
Purchases local	**8,846,227**	52,449,404
Overseas travelling	-	1,104,104
Cost of goods sold - local and foreign	-	506,959
Salaries	**168,000**	397,867
Freight charges	**29,500**	202,517
Duty	**407,048**	-
Clearing fees	**834,729**	195,265
Others	-	76,800
	59,750,349	115,721,080

2. ADMINISTRATIVE EXPENSES

	2021	2020
	MUR	MUR
Administrative salaries	**5,271,478**	7,171,083
Professional fees	**2,008,924**	3,952,612
Licences	**1,827,818**	2,822,984
Director emoluments	**650,000**	754,612
Bank charges	**264,861**	259,871
Training	-	187,771
IT expenses	**197,558**	176,444
Medical staff costs	**366,321**	63,258
Entertainment	-	55,000
Telephone	**49,569**	42,419
Insurance	-	38,736
Commission and discounts	**27,930**	38,320
Motor vehicle running expenses	**70,536**	28,571
Printing and stationeries	**51,542**	27,665
Rent	**2,400**	11,598
Sponsorship	-	10,000
Other expenses	**49,489**	6,937
Marketing	**7,300**	6,140
Air tickets	**71,083**	-
Penalties and fines	**3,750**	-
Repairs and maintenance	**143,756**	-
	11,064,315	15,654,021