

Country Delight Dairy Limited
Annual Financial Statements
for the period 5 months ended March 31, 2023

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

General Information

Country of incorporation and domicile	Kenya
Date of incorporation	November 22, 2022
Directors	Venkat Krishna Reddy Busireddy Sunil Reddy Dodla Kunal Mukeshbhai Ajmera
Registered office	Avocado Towers Muthithi Road, Westlands P.O. Box 45669-00100 Nairobi
Principal banker	Equity Bank Limited Mombasa Road Branch P.O. Box 75104-00200 Nairobi
Independent auditor	Grant Thornton LLP Certified Public Accountants (K) 5th Floor, Avocado Towers Muthithi Road, Westlands P.O. Box 46986-00100 Nairobi
Company secretary	Mutual Registrars Associates Certified Public Secretaries (K) P.O. Box 45669-00100 Nairobi
Company registration number	PVT-DLULG7LZ
Tax reference number	P052169844K
Holding company	Dodla Dairy Limited

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Contents

	Page
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 - 6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Significant Accounting Policies	11 - 13
Notes to the Annual Financial Statements	14 - 17

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Directors' Report

The directors submit their first report together with the audited annual financial statements for the period 5 months ended March 31, 2023.

In accordance with section 624 (3) of the Kenyan Companies Act, 2015, this directors' report has been prepared using the guidelines of the small companies regime.

1. Principal activities

The principal activities of the company are production, processing of milk, milk products and distribution of dairy products. The company operates principally in Kenya

2. Business review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities and the requirements of the Kenyan Companies Act, 2015.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

Refer to note 9 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Dividends

The board do not recommend the declaration of a dividend for the period ended March 31, 2023.

5. Directors

Venkat Krishna Reddy Busireddy
Sunil Reddy Dodla
Kunal Mukeshbhai Ajmera

6. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Statement of disclosure to the company's auditor

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

8. Terms of appointment of the auditor

Grant Thornton LLP has been appointed in accordance with the company's Articles of Association and Section 717 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

9. Approval of annual financial statements

The annual financial statements set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the board on May 13, 2023, and were signed on its behalf by:

Venkat Krishna Reddy Busireddy
(Director)

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Statement of Directors' Responsibilities

The Kenyan Companies Act, 2015 requires the directors to prepare annual financial statements for each financial period 5 months that give a true and fair view of the financial position of the company as at the end of the financial period 5 months and of its profit or loss for that period 5 months. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

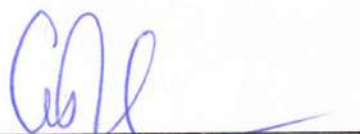
The directors accept responsibility for the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of annual financial statements that are free of material misstatement, whether due to fraud or error;
- selecting suitable accounting policies and applying them consistently; and
- making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the annual financial statements does not relieve them of their responsibilities.

The annual financial statements set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the board on May 13, 2023 and were signed on its behalf by:



Venkat Krishna Reddy Busireddy
(Director)



Sunil Reddy Dodla
(Director)

Independent Auditor's Report

To the Shareholder of Country Delight Dairy Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the accompanying annual financial statements of Country Delight Dairy Limited (the company) set out on pages 7 to 17, which comprise the statement of financial position as at March 31, 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 5 months then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Country Delight Dairy Limited as at March 31, 2023, and its financial performance and cash flows for the period 5 months then ended in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities and the requirements of the Kenyan Companies Act, 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Auditor's Responsibilities for the Audit of the Annual Financial Statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. 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 as required by the Kenyan Companies Act, 2015, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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.

Directors are responsible for overseeing the company's financial reporting process.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

Report on Other Legal and Regulatory Matters as prescribed by the Kenyan Companies Act, 2015.

As required by the Kenyan Companies Act, 2015, we report to you based on our audit, that in our opinion the information given in the report of the directors on page 3 - 4 is consistent with the annual financial statements

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Alfred Siele, Practicing Certificate No. 1690.

For and on behalf of Grant Thornton LLP
Certified Public Accountants (Kenya)
Nairobi

C/0323/204/0523/AUD

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Statement of Profit or Loss and Other Comprehensive Income

Figures in Shillings	Note(s)	5 months ended 31 March 2023
Other income	2	490,880
Administrative and operating expenses	3	(4,223,396)
Operating loss		(3,732,516)
Loss before taxation		(3,732,516)
Taxation	5	-
Loss for the period 5 months		(3,732,516)
Other comprehensive income		-
Total comprehensive loss for the period 5 months		(3,732,516)

The accounting policies on pages 11 to 13 and the notes on pages 14 to 17 form an integral part of the annual financial statements.

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Statement of Financial Position as at March 31, 2023

Figures in Shillings	Note(s)	31 March 2023
Assets		
Non-Current Assets		
Property, plant and equipment	6	91,513,920
Current Assets		
Other receivables	7	1,746,251
Cash and cash equivalents	8	15,107,145
		16,853,396
Total Assets		108,367,316
Equity and Liabilities		
Equity		
Share capital	9	1,000,000
Accumulated losses		(3,732,516)
		(2,732,516)
Liabilities		
Non-Current Liabilities		
Loans from fellow subsidiaries	11	105,865,920
Current Liabilities		
Other payables	12	5,233,912
Total Liabilities		111,099,832
Total Equity and Liabilities		108,367,316

The annual financial statements and the notes on pages 7 to 17, were approved by the board on May 13, 2023 and were signed on its behalf by:

Venkat Krishna Reddy Busireddy
(Director)

Sunil Reddy Dodla
(Director)

The accounting policies on pages 11 to 13 and the notes on pages 14 to 17 form an integral part of the annual financial statements.

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Statement of Changes in Equity

Figures in Shillings	Share capital	Accumulated losses	Total equity
Balance at start of the period	-	-	-
Loss for the period 5 months	-	(3,732,516)	(3,732,516)
Other comprehensive income	-	-	-
Total comprehensive loss for the period 5 months	-	(3,732,516)	(3,732,516)
Issue of shares	1,000,000	-	1,000,000
Total changes	1,000,000	-	1,000,000
Balance at March 31, 2023	1,000,000	(3,732,516)	(2,732,516)
Note(s)	9		

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Statement of Cash Flows

Figures in Shillings	Note(s)	5 months ended 31 March 2023
Cash flows generated from operating activities		
Cash from operations	13	<u>(35,850)</u>
Cash flows used in investing activities		
Purchase of property, plant and equipment	6	<u>(91,722,925)</u>
Cash flows from financing activities		
Proceeds on share issue	9	1,000,000
Proceeds from fellow subsidiary loan	11	<u>105,865,920</u>
Net cash from financing activities		<u>106,865,920</u>
Cash movement for the period 5 months		
Cash and cash equivalents at the beginning of the year	8	<u>-</u>
Cash at end of the period 5 months	8	<u>15,107,145</u>

The accounting policies on pages 11 to 13 and the notes on pages 14 to 17 form an integral part of the annual financial statements.

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Significant Accounting Policies

1. Basis of preparation and summary of significant accounting policies

(a) Statement of compliance

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities, and the Kenyan Companies Act, 2015. For Kenyan Companies Act, 2015 reporting purposes in these financial statements, the balance sheet is represented by the statement of financial position and the profit and loss account is represented by the statement of profit or loss and other comprehensive income.

(b) Functional currency

The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Shillings and rounded off to the nearest Shilling.

(c) Basis of measurement

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out.

(d) Going concern

The company has received a financial letter of support from its parent company stating that it undertakes to provide such funding as is necessary to enable the company settle its liabilities as and when they fall due in the foreseeable future. The directors there believe it is appropriate for the financial statements to be prepared on a going concern basis.

The financial statements have therefore been prepared on the basis that the company will remain a going concern on confirmation by the shareholders that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities that will occur in the ordinary course of business.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Key sources of estimation uncertainty

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Significant Accounting Policies

1.2 Property, plant and equipment (continued)

Item	Depreciation method	Years
Land		Nil
Buildings	Straight line	30
Plant and machinery	Straight line	15
Motor vehicles	Straight line	4
Capital work in progress		Nil

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Significant Accounting Policies

1.5 Impairment of assets (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior period 5 monthss. A reversal of impairment is recognised immediately in profit or loss.

1.6 Share capital

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the period 5 months in which they are declared.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The company and its employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of profit or loss and other comprehensive income in the year they fall due.

1.8 Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.9 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Kenyan Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Shillings	5 months ended 31 March 2023
2. Other income	
Other income	490,880
3. Administrative and operating expenses	
Staff costs (Note 4)	76,133
Auditors remuneration	420,000
Bank charges	23,456
Professional fees	155,001
Vehicle running expenses	24,370
Printing and stationery	27,865
Secretarial fees	518,764
Repairs and maintenance	160,563
Security fees	248,193
Traveling and accommodation	482,532
Telephone and internet	20,127
Lighting charges	114,258
Licences	155,110
General expenses	750,502
Depreciation (Note 6)	209,004
Forex exchange loss (Below)	837,518
	4,223,396
Forex exchange loss	
Realised exchange differences	7,865,758
Unrealised exchange differences	(7,028,240)
	837,518
4. Staff costs	
Medical expenses	10,733
Staff welfare	10,350
Immigration	55,050
	76,133
5. Taxation	
Reconciliation of the tax expense	
Reconciliation between accounting loss and tax expense.	
Accounting loss	(3,732,516)
Tax at the applicable tax rate of 30%	(1,119,755)
Tax effect of adjustments on taxable income	
Expenses not deductible for tax purposes	3,162,158
Unrecognised deferred tax	(2,042,403)
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Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Shillings	5 months ended 31 March 2023
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6. Property, plant and equipment

	2023		
	Cost	Accumulated depreciation	Carrying value
Land	10,534,488	-	10,534,488
Buildings	15,801,731	(27,419)	15,774,312
Plant and machinery	53,108,336	(181,586)	52,926,750
Motor vehicles	1,168,500	-	1,168,500
Capital work in progress	11,109,870	-	11,109,870
Total	91,722,925	(209,005)	91,513,920

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	-	10,534,488	-	10,534,488
Buildings	-	15,801,731	(27,419)	15,774,312
Plant and machinery	-	53,108,336	(181,586)	52,926,750
Motor vehicles	-	1,168,500	-	1,168,500
Capital work in progress	-	11,109,870	-	11,109,870
	-	91,722,925	(209,005)	91,513,920

Capital work in progress relates to assets that were acquired close to the period end but have not been put into use.

7. Other receivables

Advance payments	554,161
Deposits	169,000
VAT receivable	1,023,090
	1,746,251

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	790,511
Bank balances	14,316,634
	15,107,145

9. Share capital

Authorised	
1,000 Ordinary shares of KES 1,000 each	1,000,000
Issued	
1,000 Ordinary shares of KES 1,000 each	1,000,000

All issued shares are fully paid.

Country Delight Dairy Limited

Annual Financial Statements for the period 5 months ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Shillings	5 months ended 31 March 2023
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10. Deferred tax

Unrecognised deferred tax

Deferred income tax is calculated using the enacted income tax rate of 30%. The movement on the deferred income tax account is as follows:

Movement in the year	2,042,403
Not recognised as a deferred tax	2,042,403

	At the start of the year	Credit (charge) to profit or loss	At the end of the year
Accelerated capital allowances	-	9,724,228	9,724,228
Exchange differences	-	2,108,472	2,108,472
Tax losses	-	(9,790,297)	(9,790,297)
	-	2,042,403	2,042,403

Deferred tax assets are recognised only to the extent that it is possible that future taxable profits will be available against which temporary differences can be utilised. The deferred income tax asset has not been recognised as the company is yet to record taxable profit therefore, the availability of future taxable profits to utilise the net asset is in doubt. The net deferred income not recognised is attributable to the above.

11. Loans from fellow subsidiaries

Dodla Holdings PTE Limited (Note 14)	105,865,920
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The above loan is unsecured and denominated in US dollars with a maximum aggregate principle amount of USD 4,000,000/= withdrawable on request. The purpose of the loan is to finance working capital. The company has since drawn down USD 800,000/=.

The loan attracts an interest at the rate of 8% per annum accrued on a quarterly basis with the first year being interest free. The loan is repayable for a period of 10 years with equal quarterly installments commencing 31 March 2024.

12. Other payables

Other payables	5,233,912
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Other payables balance consist from provision for expenses and withholding payable.

13. Cash used in operations

Loss before taxation	(3,732,516)
Adjustments for:	
Depreciation and amortisation	209,004
Changes in working capital:	
Other receivables	(1,746,250)
Other payables	5,233,912
	(35,850)

