

365squared Ltd

Company Registration Number: C 58493

Annual Report and Financial Statements

For the Year Ended 31 March 2024

365squared Ltd

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For the Year Ended 31 March 2024

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365squared Ltd

General information

For the Year Ended 31 March 2024

Registration

365squared Ltd ("the Company") is registered with the Malta Business Registry, AM Business Centre, Triq il-Labour, Zejtun, ZTN 2401, Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C 58493.

Directors

Rajdipkumar Gupta

Sandipkumar Gupta

Tonio Ellul

Registered office

365squared Ltd

Velzon Buildings, Block B

Triq Pantar

Lija LJA 2023

Malta

Auditors

ZD Assurance Limited

230, 230 Works Business Centre,

Second Floor,

Eucharistic Congress Road

Mosta MST 9039

Malta

365squared Ltd

Reporting by Directors

For the Year Ended 31 March 2024

The Board presents its report and the audited financial statements for the year ended 31 March 2024.

Principal Activities

The Company's principal activity is to provide data processing and managed services to mobile network operators.

Performance Review

The directors note that sales increased by 27% over the preceding year whilst, the gross profit margin decreased to 34% of revenue (2023: 55%). Administrative expenses amounted to EUR2,492,205 (2023: EUR2,716,167) and as a result, the Company registered a profit before taxation amounting to EUR525,967 (2023: EUR883,273). After deducting taxation thereon, the profit for the year amounted to EUR482,615 (2023: EUR830,402).

Reserves and Dividends

The profit or loss for the year is set out on page 5. The profit for the year was transferred to retained earnings and no dividend was declared.

Post Balance Sheet Events

No significant events have occurred after the balance sheet date which require mention in this report.

Future Developments

The Company is envisaging to keep using the revenue-sharing activities while adding new micro-products with fixed fees to increase the revenue stream and improve the Company's market position.

Directors

The directors of the Company who held office during the year were:

Rajdipkumar Gupta

Sandipkumar Gupta

Tonio Ellul

In accordance with the Company's Articles of Association, the present directors remain in office until such time as they resign or are otherwise removed.

365squared Ltd

Reporting by Directors (continued)

For the Year Ended 31 March 2024

Auditors

ZD Assurance Limited, Registered Auditors, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the General Meeting.

Approved by the Board of Directors on 02.05.2024 and signed on its behalf by:



Tonio Ellul

Director



Sandipkumar Gupta

Director

Registered Address:
Velzon Buildings, Block B
Triq Pantar
Lija
LJA 2023

365squared Ltd

Directors' Responsibilities

For the Year Ended 31 March 2024

The directors are required by the Companies Act, Cap. 386 of the Laws of Malta to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting year on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

365squared Ltd

Income Statement

For the Year Ended 31 March 2024

		2024	2023
	Note	EUR	EUR
Revenue	3	8,557,662	6,727,544
Cost of sales		<u>(5,644,494)</u>	<u>(3,044,292)</u>
Gross profit		2,913,168	3,683,252
Administrative expenses		<u>(2,492,205)</u>	<u>(2,716,167)</u>
Operating profit		420,963	967,085
Finance income	4	1	1
Other income		52	-
Gain / (Loss) on exchange differences		<u>104,951</u>	<u>(83,813)</u>
Profit before tax	5	525,967	883,273
Income tax expense	6	<u>(43,352)</u>	<u>(52,871)</u>
Profit for the year		<u><u>482,615</u></u>	<u><u>830,402</u></u>

365squared Ltd

Balance Sheet

As At 31 March 2024

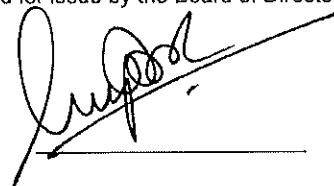
	Note	2024 EUR	2023 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	7	188,283	126,796
Intangible assets	8	92,669	-
Deferred tax	9	-	4,931
Total non-current assets		<u>280,952</u>	<u>131,727</u>
Current assets			
Trade and other receivables	10	3,701,921	3,373,970
Cash and cash equivalents	11	1,165,448	1,592,782
Total current assets		<u>4,867,369</u>	<u>4,966,752</u>
TOTAL ASSETS		<u><u>5,148,321</u></u>	<u><u>5,098,479</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	2,001	2,001
Capital contribution	12	534,789	401,058
Retained earnings	12	3,245,358	2,762,743
Total equity		<u>3,782,148</u>	<u>3,165,802</u>
Liabilities			
Non-current liabilities			
Deferred tax	9	12,043	-
Current liabilities			
Current tax payable	13	86,900	188,245
Trade and other payables	14	1,265,156	1,744,317
Bank overdraft	11	2,074	115
Total current liabilities		<u>1,354,130</u>	<u>1,932,677</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,148,321</u></u>	<u><u>5,098,479</u></u>

The financial statements set out on pages 5 to 21 were approved and authorised for issue by the Board of Directors on 02.05.2024 and signed on its behalf by:



Tonio Ellul

Director



Sandipkumar Gupta

Director

365squared Ltd

Statement of Changes in Equity

For the Year Ended 31 March 2024

	Share Capital EUR	Capital contribution EUR	Retained earnings EUR	Total Equity EUR
Equity as at 01 April 2022	2,001	146,772	1,932,341	2,081,114
Profit for the year	-	-	830,402	830,402
Equity settled share based payment in the parent company	-	254,286	-	254,286
Equity as at 31 March 2023	<u>2,001</u>	<u>401,058</u>	<u>2,762,743</u>	<u>3,165,802</u>

	Share capital EUR	Capital contribution EUR	Retained earnings EUR	Total Equity EUR
Equity as at 01 April 2023	2,001	401,058	2,762,743	3,165,802
Profit for the year	-	-	482,615	482,615
Equity settled share based payment in the parent company	-	133,731	-	133,731
Equity as at 31 March 2024	<u>2,001</u>	<u>534,789</u>	<u>3,245,358</u>	<u>3,782,148</u>

365squared Ltd

Cash Flows Statement

For the Year Ended 31 March 2024

	Note	2024 EUR	2023 EUR
Cash from operating activities:			
Profit before tax		525,967	883,273
Interest income to reconcile to profit from operations		(1)	(1)
Depreciation		51,962	61,934
Amortisation		2,087	-
Employee share options		133,731	254,286
Profit from operations		713,746	1,199,492
Increase in trade and other receivables		(327,951)	(1,362,198)
Increase (decrease) in trade and other payables		(479,161)	714,959
Proceeds from interest received classified as operating		1	1
Payments of income taxes		(127,723)	(143,666)
Net cash flows (used in)/from operating activities		(221,088)	408,588
Cash flows from investing activities:			
Payments to acquire property, plant and equipment		(113,449)	(161,752)
Payments to acquire intangible assets		(94,756)	-
Net cash flows used in investing activities		(208,205)	(161,752)
Net cash (used in)/from in cash and cash equivalents		(429,293)	246,836
Cash and cash equivalents at beginning of year		1,592,667	1,345,831
Cash and cash equivalents at end of year	11	1,163,374	1,592,667

1. General Notes

1.1. Basis of preparation

i Basis of measurement and statement of compliance

The financial statements of 365squared Ltd ("the Company") have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME"). The financial statements have been prepared on the historical cost basis.

ii Functional and presentation currency

The financial statements are presented in euro (€), which is the Company's functional currency and presentation currency.

2. Significant accounting policies

2.1. Property, plant and equipment

i Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

After initial recognition, property, plant and equipment are carried under the cost model.

ii Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

The rates of depreciation used for other items of property, plant and equipment are the following:

Furniture and fixtures	10% straight line
Office equipment	33% straight line

2. Significant accounting policies (continued)

2.1. Property, plant and equipment (continued)

ii Depreciation (continued)

Depreciation method, useful life and residual value

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

Derecognition of property, plant and equipment

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.

2.2. Intangible assets

i Acquired intangible assets - Software

An acquired intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost, comprising its purchase price and any directly attributable cost of preparing the asset for its intended use.

Intangible assets are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the carrying amount of the intangible asset using the straight-line method over its expected useful life. Amortisation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Section 24 of GAPSE or the date that the asset is derecognised.

Amortisation is based on a useful life of 3 years and is charged to profit or loss.

2.3. Financial assets, financial liabilities and equity

A financial asset or a financial liability is recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

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

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

2. Significant accounting policies (continued)

2.3. Financial assets, financial liabilities and equity (continued)

i Trade and other receivables

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment.

ii Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes. Bank overdrafts, which are repayable on demand and form an integral part of the Company's cash management, and are presented in current liabilities in the balance sheet.

iii Ordinary shares

Ordinary shares issued by the Company are classified as equity. Dividends to ordinary shareholders are debited directly to equity and are recognised as liabilities in the period in which they are declared.

iv Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

v Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Group's vesting period, which in this case is 4 years. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves, the capital contribution reserve. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

2.4. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

2.5. Impairment of assets

The Company's property, plant and equipment, intangible assets and financial assets are tested for impairment.

2. Significant accounting policies (continued)

2.5. Impairment of assets (continued)

i Property, plant and equipment and intangible assets

The carrying amounts of the Company's Property, plant and equipment and intangible assets and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

The carrying amounts of Company's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in profit or loss.

ii Financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost or cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost/cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is reclassified from equity to profit or loss as a reclassification adjustment

2. Significant accounting policies (continued)

2.5. Impairment of assets (continued)

ii Financial assets (continued)

even though the financial asset has not been derecognised. The amount of the cumulative loss that is removed from equity and is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

2.6. Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

2.7. Income

i Rendering of services

Revenue from telecommunication services is recognised when the services are rendered, using the percentage-of-completion method based on the actual service provider as a proportion of the total services to be permitted.

ii Interest income

Revenue is recognised as interest accrues (using the effective interest method). Interest income is included in finance revenue in the income statement.

2. Significant accounting policies (continued)

2.8. Foreign currencies

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and monetary liabilities denominated in foreign currencies at balance sheet date are translated at year end closing rates of exchange. Any exchange differences arising on the settlement of monetary assets and monetary liabilities, or on translating foreign denominated monetary assets and liabilities at the balance sheet date at rates different from those at which they were previously translated, are recognised in profit or loss.

3. Revenue

Revenue is derived from the provision of telecommunication services, and is analysed as follows:

	2024	2023
	EUR	EUR
Rendering of services	<u>8,557,662</u>	<u>6,727,544</u>

4. Finance income

	2024	2023
	EUR	EUR
Bank interest	<u>1</u>	<u>1</u>

5. Profit before tax

Profit before tax is charged after charging the following:

	2024	2023
	EUR	EUR
Directors' remuneration	240,232	123,223
Depreciation	51,962	61,934
Amortisation	<u>2,087</u>	<u>-</u>

5.1. Auditors remuneration

Fee due to the Company's auditors for the service rendered during the year amounted to:

	2024	2023
	EUR	EUR
Audit fees	<u>25,017</u>	<u>22,719</u>
Other non-audit services	<u>1,900</u>	<u>1,900</u>

5.2. Staff costs

Staff costs incurred during the year are analysed as follows:

	2024	2023
	EUR	EUR
Salaries and Wages	787,431	734,194
Employer's Share of Social Security Contributions	22,410	21,010
	<u>809,841</u>	<u>755,204</u>

Director's remuneration is included with staff costs.

5.3. Number of employees

The average number of persons employed by the Company during the year was as follows:

	2024	2023
	No.	No.
Management	2	2
Operations support	10	10
	<u>12</u>	<u>12</u>

6. Taxation

6.1. Fiscal Unit

In 2021, the Company has agreed to form part of a Fiscal Unit for Maltese income tax purposes in terms of the Consolidated Group (Income Tax) Rules ('Consolidated Group tax rules') effective from financial year ended 31 March 2021. These Rules allow the members of the Fiscal Unit to elect to be treated as one single taxpayer and to compute their chargeable income or losses on a consolidated basis. Under the Consolidated Group tax rules, the Maltese tax liabilities otherwise due on the taxable profits of the Fiscal Unit's subsidiaries can be set off against the 6/7ths tax refund otherwise due thereon to their shareholders, resulting in the Fiscal Unit as a whole incurring tax at a 5% effective tax rate.

As part of this process, the Company entered into a tax sharing and funding agreement with the Fiscal Unit's parent company, which is the Fiscal Unit's principal taxpayer in terms of the Consolidated Group tax rules. Such an agreement provides for the allocation of income taxes to the Fiscal Unit members: the allocation of tax within the Fiscal Unit is calculated as if each member entity was an individual entity for tax purposes, with taxes allocated by reference to the chargeable income/losses of each member entity and recognised fully in each member entity's own financial statements.

Under the terms of this agreement, the Company shall compensate the Fiscal Unit's principal taxpayer for its share of the tax payable that has been assumed by the principal taxpayer; it will conversely be compensated by the principal taxpayer for its share of any tax receivable. As a result, the Company recognises a liability towards (or an asset receivable from) the principal taxpayer for its allocated share of the current tax liabilities (or deferred tax assets arising from unused tax losses and tax credits) that have been assumed by the principal taxpayer.

Since the tax consolidation regime allows for a full integration of the tax position of the Fiscal Unit's members, the Company has applied an equivalent effective tax rate of 5% for the computation of current tax expense.

6. Taxation (continued)

6.2. Income tax expense

	2024	2023
	EUR	EUR
Current tax expense	26,378	60,522
Deferred tax expense/ (credit)	16,974	(7,651)
	<u>43,352</u>	<u>52,871</u>

6.3. Tax reconciliation

	2024	2023
	EUR	EUR
Profit for the year	525,967	883,273
Tax at 5%	26,298	44,164
Tax effect of:		
Expenses disallowed for tax purposes	9,429	15,810
Disallowed loss (income)	(5,248)	4,191
Capital allowances	(4,101)	(3,643)
Deferred tax/ (income)	16,974	(7,651)
	<u>43,352</u>	<u>52,871</u>

7. Property, plant and equipment

	Furniture and fixtures EUR	Office equipment EUR	Total EUR
Cost			
Opening balance	43,975	358,121	402,096
Additions	-	113,449	113,449
Balance at 31 March 2024	<u>43,975</u>	<u>471,570</u>	<u>515,545</u>
Depreciation			
Opening balance	(33,133)	(242,167)	(275,300)
Depreciation	(3,584)	(48,378)	(51,962)
Balance at 31 March 2024	<u>(36,717)</u>	<u>(290,545)</u>	<u>(327,262)</u>
Carrying amount			
At 01 April 2023	<u>10,842</u>	<u>115,954</u>	<u>126,796</u>
At 31 March 2024	<u>7,258</u>	<u>181,025</u>	<u>188,283</u>

365squared Ltd

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2024

8. Intangible assets

	Software EUR
Cost	
Opening balance	-
Additions	<u>94,756</u>
Balance at 31 March 2024	<u>94,756</u>
Amortisation	
Amortisation	<u>(2,087)</u>
Balance at 31 March 2024	<u>(2,087)</u>
At 01 April 2023	<u><u>-</u></u>
At 31 March 2024	<u><u>92,669</u></u>

The cost included within note 9 relating to the acquired Software includes an amount pertaining to capitalised development cost which is still not ready for use. The amortisation charge included within the note only pertains to the element of development costs which have met the criteria as ready for use.

9. Deferred tax

9.1. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	EUR	EUR	EUR	EUR	EUR	EUR
Property, plant and equipment	-	740	6,796	-	(6,796)	740
Unrealised foreign exchange loss (income)	-	4,191	5,247	-	(5,247)	4,191
Tax (assets) / liabilities	-	4,931	12,043	-	(12,043)	4,931

Movement in temporary differences during the year:

	Balance, beginning of period, 2023	Recognised in income	Recognised in equity	Balance, end of period, 2023
	EUR	EUR	EUR	EUR
Property, plant, and equipment	1,287	(547)	-	740
Unrealised FX loss (income)	(4,007)	8,198	-	4,191
	<u>(2,720)</u>	<u>7,651</u>	<u>-</u>	<u>4,931</u>

	Balance, beginning of period, 2024	Recognised in income	Recognised in equity	Balance, end of period, 2024
	EUR	EUR	EUR	EUR
Property, plant, and equipment	740	(7,536)	-	(6,796)
Unrealised FX loss (income)	4,191	(9,438)	-	(5,247)
	<u>4,931</u>	<u>(16,974)</u>	<u>-</u>	<u>(12,043)</u>

365squared Ltd

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2024

10. Trade and other receivables

	2024	2023
	EUR	EUR
Trade receivables	3,060,226	2,317,946
Accrued Income	535,384	447,503
Prepayments	64,193	550,865
Deposits	4,034	4,034
Indirect taxation	19,605	37,101
Amounts due from sister entity	18,217	16,259
Other receivable	262	262
	<u>3,701,921</u>	<u>3,373,970</u>

Trade receivables include a balance amounting to €2,815,394 (2023: €1,999,412) which is due from the Parent Company and the ultimate Parent Company.

Amounts due from sister entity amounting to €18,217 (2023: €16,259) is unsecured, interest free and repayable upon demand.

11. Cash and cash equivalents

Cash and cash equivalents for the purpose of the balance sheet and cash flow statement are as follows:

	2024	2023
	EUR	EUR
Cash on hand	65	629
Bank balances	1,165,383	1,592,153
Total cash and cash equivalents in the Balance Sheet	1,165,448	1,592,782
Bank overdraft	(2,074)	(115)
Total cash and cash equivalents in the statement of cash flows	<u>1,163,374</u>	<u>1,592,667</u>

12. Share capital

12.1. Share capital

	2024	2023
	EUR	EUR
Authorised		
2,001 Ordinary Shares of €1 each	<u>2,001</u>	<u>2,001</u>
Issued and fully paid up		
2,001 Ordinary Shares of €1 each	<u>2,001</u>	<u>2,001</u>

365squared Ltd

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2024

12. Share capital (continued)

12.2. Capital Contribution

This represents a stock option that employees have to buy shares at a future date. The shares will be in Route Mobile Limited, while Route Mobile (UK) Limited will bear the cost of the option. Route Mobile (UK) Limited will not seek any compensation from the Company for the benefit that the employees of the Company will get. As Route Mobile (UK) will not be seeking compensation from the Company, this benefit being a non-cash consideration will be recognised as a capital contribution.

12.3. Retained earnings

Retained earnings represent accumulated profit and losses from current and past years. No dividend was declared during the years ended 31 March 2023 and 2024.

13. Current tax payable

	2024	2023
	EUR	EUR
Tax payable to parent	86,900	188,245

14. Trade and other payables

	2024	2023
	EUR	EUR
Trade payables	388,393	742,345
Accruals	864,467	506,611
Deferred income	(2,463)	490,964
Other payables	14,759	4,397
	<u>1,265,156</u>	<u>1,744,317</u>

Trade payables and accruals include a balance amounting to €114,830 (2023: €60,609) which was due to the parent company and ultimate parent company.

15. Non-cancellable operating leases

	2024	2023
	EUR	EUR
Non-Current liabilities		
Commitments related to non-cancellable-operating leases in existence at the reporting date but not recognised as liabilities payable:	<u>153,500</u>	<u>177,162</u>
Payment due		
Within one year	51,250	47,200
Later than one year but no later than five years	102,250	129,962
	<u>153,500</u>	<u>177,162</u>

16. Related party disclosures**16.1. Related party relationship**

The Company is controlled by the direct parent of the Company, Route Mobile (UK) Limited (incorporated in United Kingdom), which owns 100% of the Company's shares. The ultimate parent of the group is Route Mobile Limited (incorporated in India), however, there is no individual with direct control or holding more than 50% of the Group's issued share capital.

The Company has a related party relationship with its, parent company, fellow subsidiaries, ultimate shareholders and companies owned or controlled by the Company's ultimate shareholders and key management personnel.

Key management personnel are those individuals who have significant authority and responsibility for planning, directing and controlling the activities of the company/Group. The key management personnel within the Company includes the directors.

16.2. Related party transactions

	2024	2023
	EUR	EUR
Directors remuneration	240,232	123,223
Key management personnel remuneration	254,202	326,821
Invoices issued by the parent company	29,000	9,500
Payments made to ultimate parent company	179,689	326,843
Invoices issued to the parent company	2,228,298	1,779,559
Payments made by the shareholder	850,436	613,232
Invoices issued to ultimate parent company	17,176	23,298
Invoices issued by ultimate parent company	225,975	370,128
Income tax paid by shareholder	128,499	143,666
Set-off of tax paid by parent company obo company	125,871	145,742

Related party balances are disclosed in Notes 10 and 14.

Independent Auditor's Report

To the Shareholders of 365squared Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of 365squared Ltd set out on pages 5 - 21 which comprise the balance sheet as at 31 March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Company as at 31 March 2024, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME) and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

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 accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, 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 directors' report and general information. 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.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Art. 177 of the Maltese Companies Act (Cap. 386).

Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information. We have nothing to report in this regard.

Independent Auditor's Report (continued)

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME) and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report (continued)

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 Requirements

We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanation which, to the best of our knowledge and belief we require for the purpose of our audit.

We have nothing to report to you in respect of these responsibilities.



John Debattista (Partner)

for and on behalf of

ZD Assurance Limited

Registered Auditors
Company Reg No: C66286
zampadebattista.com

230, 230 Works Business Centre,
Second floor
Eucharistic Congress Road
Mosta, Malta

Date: 02.05.2024

**The Schedules and Appendices on the pages that follow do not form part
of the financial statements**

365squared Ltd**Schedules****For the Year Ended 31 March 2024****Schedule of Administrative Expenses**

	2023	2022
	EUR	EUR
Administrative expenses		
Accountancy	26,120	25,834
Amortisation	2,087	-
Audit fee	26,917	24,619
Bank charges	4,267	4,322
Company Registration Fee	1,008	-
Professional fees	13,800	13,855
Depreciation	51,962	61,934
Directors' remuneration	240,232	123,223
Fines and penalties	776	140
Insurance	104,838	49,535
IT expenses	153,317	200,932
Lease rentals on operating lease	45,500	45,500
Realised loss on exchange	74,187	(55,338)
Printing and stationery	186	9,068
Research and development costs	-	360,249
Salaries, wages and employee benefits	569,609	631,981
Staff costs	4,204	2,145
Subscriptions	13,617	27,261
Telephone and fax	32,580	47,162
Travel expenses	51,937	53,357
Equity settled share based payment in the parent	133,731	254,286
Professional fees	23,145	43,389
Office expenses	14,156	8,955
Marketing	12,919	32,830
Operations	887,562	750,086
Other expenses	3,548	842
	<u>2,492,205</u>	<u>2,716,167</u>