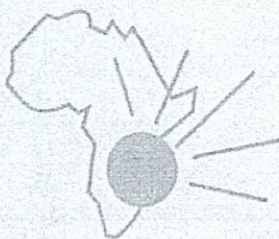

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
(Incorporated in Zambia)

FINANCIAL STATEMENTS

For the year ended 31 March 2025



JNMA
CHARTERED ACCOUNTANTS
LUSAKA

JNMA CHARTERED ACCOUNTANTS
Suite 702, 7th Floor
P O Box 35949
Lottie House
Cairo Road
LUSAKA
Cell +260 966 756188/+260979856188

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
FINANCIAL STATEMENTS
for the year ended 31 March 2025

The reports and statements set out below comprise the financial statements presented to members:

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ROUTE SMS SOLUTIONS ZAMBIA LIMITED

FINANCIAL STATEMENTS

for the year ended 31 March 2025

General Information

Country of incorporation	Zambia
Nature of business	The company is involved in the telecommunication services
Directors	Rajdipkumar Gupta Sandipkuma Chandrakant Gupta Brian Mwale
Registered Office	Plot Number 253/05 Hybrid Road Chamba Valley Lusaka-Zambia
Bankers	UBA Zambia
Norminal share capital	15,000
Auditors	JNMA Chartered Accountants 7th Floor suit 702, Lotti House Cairo Road

ROUTE SMS SOLUTIONS ZAMBIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing such financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

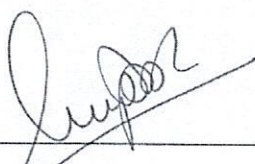
The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2017. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board of directors confirms that in their opinion:

- a) The financial statements give a true and fair view of the state of the company's affairs at 31 March 2025 and of its profit and cash flow for the year then ended;
- b) At the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.
- c) The financial statements are drawn up in accordance with applicable International Financial Reporting Standards.

This statement is made in accordance with a resolution of the directors.

Signed at Lusaka on _____ 2025.



Director



Director

ROUTE SMS SOLUTIONS ZAMBIA LIMITED

DIRECTORS' REPORT TO THE MEMBERS

The directors have pleasure in submitting their report together with the annual financial statements for the year ended 31 March 2025.

1. Nature of the company's business

The principal activity of the company is in telecommunication services.

2. Rebasing of Zambian Kwacha

Effective 1st January 2013, the Government of the Republic of Zambia rebased the Zambia Kwacha by removing three digits. The financial statements have been rebased in order to comply with Zambia Revenue Authority requirements.

3. Financial Results

12 Months ended
31 March

2025
ZMW

The results for the period were:

Total Operating other Income 8,592.00

Profit/(Loss) for the year (436,219.00)

The Directors did not recommend payment of a dividend in respect of the 12 months ended 31 March 2025

4. Property, Plant and equipment

The Company did not acquire any Property, Plant and equipment during the year under review.

5. Other material facts, circumstances and events

The directors are not aware of any material fact, circumstances or event which occurred between the accounting date and the date of this report which might influence an assessment of the company's financial position or the results of its operation.

6. Annual financial statements

The annual financial statements set out on pages 7 to 21 have been approved by the directors.

By order of the Board: (Company Secretary).....

Date:.....

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF ROUTE SMS SOLUTIONS ZAMBIA LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Route SMS Solutions Zambia Limited ("the Company"), which comprise the statement of financial position as at 31 March 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies and notes to the financial statements on pages 11 to 21. In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of the financial position of the Company as at 31 March 2025, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Auditor's 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 [jurisdiction], 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 3 and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 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.

Auditor's 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 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 Financial Statements.

As part of an audit in accordance with International Standards on Auditing, 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 the 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 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.

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

The Companies Act, 2017 (as amended) requires that in carrying out our audit, we consider and report to you on the following matters; we confirm that, in our opinion, the accounting and other records and registers of Route SMS Solutions Zambia Limited as at 31 March 2025 have been properly kept in accordance with the relevant GAAP.

JNMA Chartered Accountants


Jairos N Mtonga
PARTNER
AUD/F000539

Date: 2nd May 2025

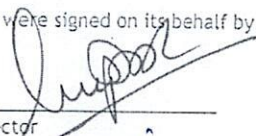


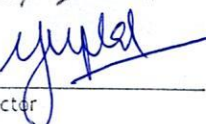
ROUTE SMS SOLUTIONS ZAMBIA LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	Notes	2025 ZMW	2024 ZMW
ASSETS			
Non - current assets			
Property, plant and equipment	1	3,282.00	5,527.00
Current assets			
Trade and other receivables	5	-	-
Inventories	10	-	-
Bank and cash balances	4	87,446.00	85,087.00
		<u>87,446.00</u>	<u>85,087.00</u>
Total assets		<u>90,728.00</u>	<u>90,614.00</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	2	15,000.00	15,000.00
Revenue reserve		(1,152,010.00)	(715,791.00)
		<u>(1,137,010.00)</u>	<u>(700,791.00)</u>
Non-Current liabilities			
Related Party Loans	3	1,208,587.00	769,024.00
Current liabilities			
Trade and other payables		2,149.00	22,381.00
Provision for expenses		17,002.00	-
Deferred Tax		-	-
		<u>19,151.00</u>	<u>22,381.00</u>
Total equity and liabilities		<u>90,728.00</u>	<u>90,614.00</u>

The financial statements on pages 3 to 16 were approved by the board of directors on.....

and were signed on its behalf by


Director


Director

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2025

		2025 ZMW	2024 ZMW
Revenue	9	-	-
Cost of Sales	10	-	-
Gross Profit/(loss)		-	-
Other comprehensive income-Exchange gains	9	8,592.00	18,512.00
Operating costs		(444,811.00)	(233,999.00)
Exchange (loss) / gain	11	-	-
Profit / (loss) before tax		(436,219.00)	(215,487.00)
tax expense		-	-
Profit / (loss) for the year		(436,219.00)	(215,487.00)
Total comprehensive income / (loss)		<u>(436,219.00)</u>	<u>(215,487.00)</u>

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2025

	Share capital ZMW	Capital reserve ZMW	Revenue reserve ZMW	Total ZMW
At 1 April 2024	15,000	-	(715,791)	(700,791)
Additions	-	-	-	-
Total comprehensive profit for the year	-	-	(436,219)	(436,219)
At 31 March 2025	<u>15,000</u>	<u>-</u>	<u>(1,152,010)</u>	<u>(1,137,010)</u>

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
STATEMENT OF CASH FLOWS

for the year ended 31 March 2025

	Notes	2025 ZMW	2024 ZMW
Cash flows from operating activities:			
(Loss) / profit on ordinary activities before taxation		(436,219.00)	(215,487.00)
Adjustments for:			
Depreciation	1	2,245.00	1,629.00
Adjustments for changes in working capital:			
Increase in trade and other receivables	5	-	-
Increase in Stocks		-	-
Increase in provision for expenses		17,002.00	-
Increase in trade and other payables		(20,232.00)	10,262.00
Net cash (used in) operating activities		(437,204.00)	(203,596.00)
Taxation:			
Taxation	6	-	-
Net cash generated from operating activities		(437,204.00)	(203,596.00)
Cash flow from investing activities:			
Acquisition of property, plant and equipment	1	-	(6,736.00)
Share capital		-	-
Related Party Loans	3	439,563.00	214,259.00
Long term loans		-	-
Net cash flow from investing activities		439,563.00	207,523.00
Net increase in cash and cash equivalents		2,359.00	3,927.00
Cash and cash equivalents at the beginning of the year		85,087.00	81,160.00
Cash and cash equivalents at the end of the year		87,446.00	85,087.00
Cash and cash equivalents consists of:			
Cash and bank balances		87,446.00	85,087.00

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
ACCOUNTING POLICIES
for the year ended 31 March 2025

General information

Route SMS Solutions Zambia Limited is a company incorporated in Zambia. The address of its registered office and principal place of business and principal activities are disclosed on the information page of the financials.

Basis of accounting and preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), on the basis consistent with previous years.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2023, and have not been applied in preparing these financial statements. The following standards and interpretations will have an impact on the financial statements of the business:

2.1 IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments deals with classification and measurement of financial assets and is effective 1 January 2015. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 (2010) addresses the measurement and classification of financial assets and will replace the relevant sections of IAS 39. The standard contains two primary measurement categories for financial: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held for within a business model whose objective is to hold assets in order to collect contractual cash flows, and the assets contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principle outstanding. All other financial assets are measured at fair value. The business is yet to quantify the impact the adoption of the standard will have on the financial statements. The standard is effective for annual periods beginning on or after 1 January 2015 with earlier application permitted.

IFRS 13 - Fair Value Measurement

IFRS 13 Fair Value Measurement, effective 1 January 2016. The standard will be applied prospectively and comparatives will be restated. IFRS 13 introduces a single source of guidance of fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosure requirements for fair value measurements. The key principles in IFRS 13 are as follows: Fair value is an exit price. Measurement considers characteristics of asset or liability and not entity-specific characteristics. Measurement assumes a transaction in the entity's principal (or most advantageous) market between market participants. Price is not adjusted for transaction costs. Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The three-level fair value hierarchy is extended to all fair value measurement. The business is yet to quantify the impact on the financial statements.

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
ACCOUNTING POLICIES
for the year ended 31 March 2025

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customers returns, rebates and other similar allowances. Revenue is recognised as follows:

Sale of goods

Sale of goods revenue is recognised when the company has delivered products to its customer, the customer has accepted the products and the collectability of related receivables is reasonably assured.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the balance sheet at their cost less accumulated depreciation and subsequent accumulated impairment losses. Subsequent costs are included in the asset's 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. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Property, plant and equipment - continued

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets, is on the same basis as other property assets, and commences when the assets are ready for their intended use.

Motor vehicles, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and properties under construction, over their estimated useful lives, using the straight-line methods. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of

Impairment of property, plant and equipment

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
ACCOUNTING POLICIES
for the year ended 31 March 2025

Translation of foreign currencies

Transactions:

Foreign currency transactions are recorded, on initial recognition in USD, by applying to the foreign currency amount the exchange rate between the USD and the foreign currency at the date of the transaction.

At each balance sheet date:

- (i) foreign currency monetary items are reported using the closing rate,
- (ii) non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction, and
- (iii) non-monetary items which are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expenses in the period in which they arise.

Retirement benefits

The company contributes to National Pensions Scheme Authority (NAPSA) for its eligible employees as provided for by law. Membership, with the exception of expatriate employees, is compulsory and monthly contributions by both employer and employees are made.

Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' 'available-for-sale' 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets - continued

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the company manages together and has a recent actual pattern of short-term profit taking;
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: recognition and measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Available for sale (AFS) financial assets

Unlisted shares and listed redeemable notes held by the company that are traded in an active market are classified as being available for sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

The fair value of monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets - continued

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, 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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments issued

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities and equity instruments issued - continued

Equity instruments

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

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent liabilities and contingent assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.
Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
 - the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
 - it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: recognition and measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.
- Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

Route SMS Solutions Zambia Limited derecognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

ROUTE SMS SOLUTIONS ZAMBIA LIMITED

for the year ended 31 March 2025

Critical accounting estimates and judgements

Estimates and judgements are continually 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 company makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, not equate the related actual results. The estimates and judgements that have a significant risk of causing material misstatement to the carrying amounts of assets and liabilities are discussed below:

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the financial year the directors determined that the useful life of the property, plant and equipment have not changed significantly.

The straight line depreciation rates applied during the year were as follows:

Office equipment	33%
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The residue value and useful lives are based on industry knowledge and past experience with similar assets.

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1 Property, plant and equipment

	Cost / valuation ZMW	31 March 2025 Accumulated depreciation ZMW	Carrying value ZMW	Cost / valuation ZMW	31 March 2024 Accumulated depreciation ZMW	Carrying value ZMW
<i>Owned assets</i>						
Office Equipment	9,885	(6,604)	3,282	9,885	(4,359)	5,527
	<u>9,885</u>	<u>(6,604)</u>	<u>3,282</u>	<u>9,885</u>	<u>(4,359)</u>	<u>5,527</u>
The carrying amounts of plant and equipment can be reconciled as follows:						
31 March 2025		Carrying value at a Revaluation Value ZMW	Additions ZMW	Write back ZMW	(depreciation) ZMW	Carrying value at end of period ZMW
<i>Owned assets</i>						
Office Equipment		5,527	-	-	(2,245)	3,282
		<u>5,527</u>	<u>-</u>	<u>-</u>	<u>(2,245)</u>	<u>3,282</u>
31 March 2024		Carrying value at beginning of period ZMW	Additions ZMW	Write back ZMW	(depreciation) ZMW	Carrying value at end of period ZMW
<i>Owned assets</i>						
Office Equipment		420	6,736	-	(1,629)	5,527
		<u>420</u>	<u>6,736</u>	<u>-</u>	<u>(1,629)</u>	<u>5,527</u>
2 Share capital					2025 ZMW	2024 ZMW
Authorised, issued and fully paid: 15,000 ordinary shares of K 1 each					<u>15,000.00</u>	<u>15,000.00</u>
3 Related Party Loans-Route Mobile (UK) Limited						
At 1 April 2024					769,024	554,765
Loan acquisition from Route Mobile (UK) Limited					439,563	1,794,900
Unrealized foreign exchange loss					-	(1,580,641)
At 31 March 2025					<u>1,208,587</u>	<u>769,024</u>

Holding company for Route SMS Solutions Zambia Limited are related party's loans entered during the period and are unsecured, interest free and has no fixed terms of repayments.

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2024 ZMW	2023 ZMW
4 Cash and bank		
Cash and Bank Balances	87,446.00	85,087.00
	<u>87,446.00</u>	<u>85,087.00</u>
5 Trade and other receivables		
Trade Receivables	-	-
Sundry Receivables & Prepayments	-	-
	<u>-</u>	<u>-</u>
6 Trade and other payables		
Trade Payables	-	14,439.00
Sundry Payables & Accruals	2,149.00	7,942.00
	<u>2,149.00</u>	<u>22,381.00</u>
7 Contingent liabilities		
The company had no known contingent liabilities as at 31 December 2023		
8 Revenue		
Rendering of services and other income received	-	-

Revenue comprises turnover, which excludes value added tax and represents the invoiced value of sales /service rendered, and includes interests received and other income raised.

ROUTE SMS SOLUTIONS ZAMBIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 ZMW	2024 ZMW
10. Detailed Statement of comprehensive income		
Turnover	-	-
Cost of sales	-	-
Opening stocks	-	-
Purchases	-	-
Closing stocks	-	-
GROSS PROFIT	-	-
Other Income-Exchange gains	8,592.00	18,512.00
	8,592.00	18,512.00
EXPENDITURE		
Accounting and Audit fees	16,241.00	7,071.00
Depreciation	2,245.00	1,629.00
Internet and website expenses	24,000.00	18,000.00
Bank charges	2,101.00	750.00
Professional fees	263,963.00	71,552.00
Exchange loss - unrealized	136,261.00	134,997.00
	444,811.00	233,999.00
Profit/(Loss) from operating activities	(436,219.00)	(215,487.00)