ORIENT TELECOMS PLC

Registered Number 10028222

ANNUAL REPORT AND ACCOUNTS

for the year ended 31 March 2024

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FOR THE YEAR ENDED 31 MARCH 2024

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OFFICERS AND PROFESSIONAL ADVISORS

Directors	Sayed Mustafa Ali - *Executive Director* Wong Chee Keong - *Independent NED* Michael Goh Seng Kim - *Independent NED (resigned 31 October 2023)* Kirubarharan Ponniah – *Independent NED (appointed 18 October 2023)*
Company Secretary	MSP Corporate Services Limited Eastcastle House 27/28 Eastcastle Street London W1W 8DH
Registered Office	Eastcastle House 27/28 Eastcastle Street London W1W 8DH
Registered Number	10028222
Head Office	Suite 2B-25-1, 25th Floor, Block 2B, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia
Brokers	Optiva Securities Limited 49 Berkeley Square, London, W1J 5AZ
Auditors	Macalvins Limited 7 St John's Road Harrow Middlesex HA1 2EY
Legal advisers	Bird & Bird LLP 12 New Fetter Lane London, EC4A 1 JP

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Orient Telecoms Plc (the "Company") and its subsidiary entities (collectively, the "Group") for the financial year ending 31st March 2024.

Overview

Orient Telecoms Plc is a leading provider of managed connectivity services, catering to both large telecommunication companies and enterprise customers. Despite facing significant challenges, the Group demonstrated resilience and strategic agility during the fiscal year ending 31st March 2024.

This fiscal year, the Group reported a decline in profit. Basic and diluted earnings per share declined to 0.26p, from 0.40p in the previous year. This decrease in earnings is attributed to an estimated tax payable arising from the profit for the current year. Nonetheless, comparatively net profit before tax increased despite an 18.7% decline in revenue, which fell to £376,557 from £463,418 in 2023. The reduction in revenue was primarily attributed to the termination of certain contracts.

The management team remains steadfast in its commitment to overcoming these challenges. Efforts are focused on exploring new growth opportunities to offset the impact of contract terminations. Encouragingly, the business outlook for the coming years is positive. There is a growing interest from many customers requesting quotations for managed connectivity services, driven by the rising demand from end customers.

The Company is dedicated to leveraging its expertise and market position to capitalise on these emerging opportunities, ensuring sustainable growth and value creation for shareholders. The Group continues to prioritize innovation and excellence in service delivery, aiming to meet and exceed the expectations of its diverse customer base

Financial Position

I am proud to report that the Group has maintained a reasonable financial position even after accumulating some losses in its initial operational years. The Company has been profitable in the last few years which strengthened its financial position and at the end of the fiscal year, our cash reserves were £336,380 (2023: £329,792), and we had no outstanding borrowings. This good financial position gives us the flexibility and resilience needed to pursue our strategic objectives. This is because the Company has completed most of its initial product and services development stages and is currently in commercialisation stage, which will see more revenue and profitability.

Market Opportunities

Managed Telecom Service Providers (MSPs) like Orient Telecoms have several compelling market opportunities in today's dynamic digital landscape.

Firstly, there is a growing trend among customers to outsource their network connectivity needs. Many businesses prefer managed connectivity solutions over direct network management with traditional telecommunication service providers. This shift is driven by the desire for more efficient, reliable, and scalable connectivity services without the complexities and costs associated with managing these networks internally.

Secondly, cybersecurity services remain critical as cyber threats evolve. MSPs can differentiate themselves by delivering robust cybersecurity solutions, including threat detection, incident response, and compliance monitoring specific to telecom networks. This proactive approach helps mitigate risks and safeguard clients' sensitive data, making it an attractive offering for businesses looking to protect their information assets.

Thirdly, the shift towards cloud computing continues to expand. MSPs can leverage this trend by offering comprehensive cloud services such as storage, disaster recovery, and SaaS solutions. This enables businesses to enhance scalability, agility, and operational efficiency while reducing capital expenditures on IT infrastructure. Managed cloud services allow clients to focus on their core operations while leaving the complexities of cloud management to experts.

Fourthly, the demand for AI-based solutions is increasing. MSPs can address this need by providing high-speed, low-latency networking solutions that seamlessly integrate voice, video, messaging, and collaboration tools. Orient Telecoms is actively developing these capabilities. This approach enables businesses to streamline communication, enhance productivity, and effectively support remote workforces.

In conclusion, MSPs have ample opportunities to innovate and expand their service offerings in response to evolving technological advancements and business needs. By focusing on managed connectivity solutions, cybersecurity, cloud services, and unified communications, providers can position themselves as strategic partners in enabling digital transformation and driving competitive advantage for their clients.

Innovation and Growth

Innovation and growth for Managed Service Providers (MSPs) are being driven by the current trends in managed network services utilized by enterprises and telecommunications companies alike. As businesses increasingly shift towards outsourcing their network connectivity needs, MSPs are poised to capitalise on this demand by delivering sophisticated, high-performance managed network solutions. These services offer enhanced reliability, scalability, and security, allowing clients to focus on their core operations without the burden of managing complex network infrastructures.

Additionally, the integration of advanced technologies such as AI, machine learning, and automation into managed services is revolutionizing the way networks are monitored and optimized. This not only improves operational efficiency but also provides predictive analytics for proactive network management. The emphasis on robust cybersecurity measures within these services further solidifies MSPs as indispensable partners in the digital transformation journeys of enterprises and telcos. By continually innovating and expanding their service portfolios, MSPs like Orient Telecoms can drive significant growth and establish themselves as leaders in the managed connectivity landscape.

Strategic Outlook

The strategic outlook for Managed Service Providers (MSPs) like Orient Telecoms is increasingly promising, driven by a notable shift in customer preferences towards outsourcing their telecommunication and network needs. Businesses and telecommunications companies are moving away from managing their networks internally, opting instead for the efficiency, reliability, and expertise offered by MSPs. This trend is rooted in the desire to reduce the complexities and costs associated with network management, allowing organizations to concentrate on their core competencies.

Orient Telecoms is well-positioned to capitalize on this growing demand by delivering comprehensive managed connectivity solutions tailored to meet the specific needs of diverse industries. By providing seamless, scalable, and secure network services, we enable our clients to achieve operational excellence and agility. Furthermore, our focus on robust cybersecurity measures ensures that our clients' data and communications are protected against evolving cyber threats.

As we continue to innovate and enhance our service offerings, our commitment remains steadfast in being a strategic partner to our customers. We aim to support their digital transformation journeys, driving competitive advantage and fostering long-term growth. By aligning our strategies with the prevailing market trends and customer preferences, Orient Telecoms is set to thrive in the evolving managed network services landscape.

Conclusion

In conclusion, I would like to extend my sincere gratitude to our dedicated employees, loyal customers, and supportive shareholders for their invaluable contributions to Orient Telecoms' journey. Despite the challenges we have faced in recent years, we remain optimistic about our future prospects and are committed to achieving our long-term vision of becoming a leading regional telecommunications and Managed Service Provider. With our focus on innovation, customer-centricity, and strategic expansion, we are confident in our ability to deliver sustainable growth and value to all our stakeholders.

Thank you.

Sayed Mustafa Ali
Director
31 July 2024

Strategy, objective and business model

The Group provides managed telecommunications services using the network infrastructure owned by other network operators to enable cost effective and rapid connectivity to large bandwidth consumers in Malaysia, Thailand and Singapore. Over time the Group aims to be a leading regional network telecommunications provider offering connectivity and selling managed network services across Southeast Asia. The Group's service offering and the construction of its overlay network requires low capital expenditure and management believe this will enable it to offer attractive pricing to customers in the region. With the new development in the field of AI, the Group has embarked onto development and commercialisation of AI based solutions as described above.

Fair review of business development and performance

A comprehensive and fair review of the business development and performance of the Group reveals a positive financial outlook, primarily attributed to its prudent management of cash resources. The Group's financial stability is dependent on the available cash reserves and future projected secured earnings, which provide a solid foundation for supporting the organization's various corporate objectives and day-to-day operational activities.

One key aspect contributing to the favourable assessment is the Group's ability to meet its general corporate needs. These may include strategic investments, research and development initiatives, marketing campaigns, and other essential activities crucial for the growth and expansion of the business. By maintaining sufficient cash resources for these purposes, the Group demonstrates a proactive approach to securing its position in the market and capitalizing on emerging opportunities.
Moreover, the Group's cash resources play a pivotal role in sustaining its operational activities. These encompass a wide range of ongoing costs and expenses necessary for the smooth functioning of the business. From routine operating expenses like rent, utilities, and maintenance to crucial business expenditures such as raw materials, production costs, and logistical expenses, the availability of adequate cash reserves ensures the Group's day-to-day operations run efficiently.

Another notable aspect highlighted in this review is the Group's commitment to its human capital. By allocating resources for the payment of Directors' fees and salaries, the organization acknowledges the importance of attracting and retaining top talent. Competent and motivated Directors and employees are instrumental in driving the Group's success and fostering a productive and innovative work culture.

The prudent management of cash resources demonstrates the Group's foresight and responsibility in safeguarding against financial risks and uncertainties. In an ever-changing business landscape, having sufficient cash reserves provides a buffer against potential economic downturns or unexpected challenges. This financial preparedness enables the Group to weather adverse market conditions and seize opportunities when they arise, enhancing its competitive edge.

The initial years of the business, particularly from 2017 until 2020, the Company recorded some operational losses, as it was in the process of finding its footing in the managed telecommunication service business, especially in establishing its relationships with the potential customers of the Company. The Company was also in the development stage of some proprietary managed services products and services, which was ready for the market sometime in 2020. As planned and expected, the Company managed to turn around its fortune and from 2021 onwards, the Company has been profitable – a trend that the board is confident to continue for many years to come. This is because, the Company has already established itself as a known managed telecommunication services provider and has built many good business relationships with potential customers in the region. Additionally, the Company had over the last few years, launched several of the its flagship products and services which is well received by its customers.

In conclusion, a fair review of the Group's business development and performance underscores the significance of its sufficient cash resources. With a responsible approach to managing its finances, the Group can confidently pursue its strategic objectives, cover ongoing operational costs, and ensure the well-being of its valuable human resources. This positive financial standing bodes well for the Group's long-term growth and sustainability, positioning it for continued success in its industry. However, it is essential for the Group to remain vigilant in monitoring its financial health, staying adaptable to market dynamics, and continuing to make informed decisions to maintain its positive trajectory.

Principal risks and uncertainties

The Directors have identified the following as the key risks facing the business:

Business Operation Risk

- **Dependency on public customers**

The Group is dependent on customers within the telecommunication segment as these customers operate in a regulated industry. This group of customers from telecommunications segment accounted for approximately 53% and 62% of our total revenue for FYE 2024 and FYE 2023 respectively. Any material changes in the telecommunication policy mainly in Malaysia could adversely affect the Group business, financial condition and financial performance.

The Group will strive to enhance our service quality and adopt change management readiness to keep the company robust enough to adapt with the changes in any regulator’s policy with regards to telecommunications industry.

- **Dependency on our major customer, Bharti International (Singapore) Pte Limited (Bharti)**

The Group is dependent on Bharti, a global operator providing telecommunication service especially in Malaysia, Singapore and Thailand. The Group has been generating revenue from a Marketing Agreement signed between Orient Telecoms and Bharti since 2022, accounting for 31% and 25% of our total revenue for FYE 2024 and FYE 2023 respectively. Strong business relationship with Bharti has made the engagement stable.

As the Group is currently dependent on the business from few major customers, the strategy is to expand the customer base with various new potential customers.

- **Credit Risk**

Our normal credit period granted to our customers ranges from 30 to 45 day. Any extension of credit terms to customers are assessed based on case-to-case basis by taking into consideration factors such as our relationship, with the customers, their financial position, and payment track record.

We have so far, managed to progressively collect our receivable even though in some cases exceeded the credit period. This is due to the good business relationship and satisfactory service quality. The company has not recorded bad debts for the year 2023 and 2024.

- **Dependency of Executive Directors**

The Group success is dependent on the capability and experience of our executive director, Mr Sayed Mustafa Ali. Mr Sayed Mustafa Ali is an industry veteran in telecommunication with more than 25 years of working experience. Mr Sayed Mustafa Ali has held influential leadership positions within prominent telecommunications companies and multinational corporations in India, where he has consistently contributed his technical expertise at senior levels.

Hence the loss of services from the executive director without suitable and timely replacement may adversely affect our business.

As part of our strategy, the Executive Director is assisted by a solid operation team. In order to retain the Executive Director and the team, the Group maintains competitive remuneration packages and provide the necessary training to them. As at the closing of financial year end, the Group has not experienced any loss of our directors and key personnel that has materially impacted our business.

- **Business Strategy**

The group profitability and financial performance are dependent on the ability to secure new customers and maintain existing contracts for the provision of managed services. The potential loss of customers, mainly the major ones or risk of facing challenges securing new customers or additional business from existing customers could adversely impact our business performance.

In addressing such risk, with more than five (5) years in operation, the group has taken proactive measures to remain competitive. This includes leveraging experienced management, strategically recruiting a highly competence sales team to secure crucial revenue contracts, and maintaining a rigorous schedule of business plan reviews conducted by the board. These steps are designed to ensure alignment with strategic goals and operational efficiency.

Furthermore, the Group holds a strong belief in the competitive edge of its product, particularly in its ability to effectively support small and medium-sized enterprises (SMEs). With this confidence, the Group anticipates not only maintaining its current performance but also achieving targeted growth objectives. This strategic positioning underscores the Group's commitment to sustainable growth and market leadership in its sector.

- **Outbreaks of any contagious diseases**

The COVID-19 pandemic declared by World Health Organisation (WHO) in 2020 which had caused the Malaysian government to impose series of lockdown measure across the states had affected our operations. This was in the form of the challenges in adjusting to a new operation mode mainly in managing our services and customers and also trade receivables.

In the event of any prolonged outbreak of contagious diseases, may result in material adverse effect to our business.

In the case of 2020 lockdown measures, the group had managed to eventually mitigate the risk by putting timely necessary actions in relation to operational support in place.

Industry Risk

- **Competition**

The risk arises from competitors are price and packages offering, service quality and technology. The Group competitors may have longer operating histories and superior technological advantages. Therefore, we may experience and expect to continue to face intense competition. At the same time, we have to also face new entrants which possible adopted innovative products and aggressive pricing strategies. These factors may affect our business.

Without having to invest in capex infrastructure, the Group provides managed service to the customer and continue to develop its own overlay network. This strategy has enabled flexibility the group in service offering.

- **Technology Advancement**

The telecommunication service industry requires responsiveness to technological advancements and industry standard evolution. If the Group is unable to anticipate changes in new technology and upgrade its capabilities, the business performance may be adversely impacted.

To remain competitive, it is essential for the Group to promptly adapt to the changes in technology and services need alongside with continuous technology training and update.

- **Political and regulatory environment**

The Group operates mainly in Malaysia. As such, our business prospect will depend on the political, economic and regulatory conditions in Malaysia. Changes in the political, economic and regulatory could arise from changes in government policies, taxation policies, interest rates and import policies. These factors will lead to an adverse effect on our profitability and growth.

The Group acknowledges the present world major conflicts such as Russian-Ukraine war and Gaza conflict. Current global conflicts, do not materially impact the business operations in Malaysia since our service offering is in Malaysia, Singapore and Thailand. Furthermore, we do not import any equipment or service at the present time.

Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs) are essential metrics that provide insights into the performance and success of the Group. These indicators help measure progress towards the organization's goals and objectives. Here are some potential KPIs for the Group:

1. **Revenue Growth Rate:** This KPI measures the percentage increase in the Group's revenue over a specific period. It indicates the effectiveness of the sales and marketing efforts and the Group's ability to generate more income.
2. **Profit Margin**: The profit margin KPI evaluates the Group's profitability by calculating the percentage of profit earned from revenue after deducting all expenses. It reflects the efficiency of cost management and revenue generation.
3. **Customer Acquisition Cost (CAC):** CAC measures the average cost required to acquire a new customer. It helps assess the efficiency of the Group's marketing and sales strategies.
4. **Customer Retention Rate:** This KPI indicates the percentage of customers who continue to do business with the Group over a specific period. High retention rates are a sign of customer satisfaction and loyalty.

5. **Return on Investment (ROI):** ROI assesses the profitability of investments made by the Group. It helps evaluate the success of various projects and initiatives.
6. **Employee Satisfaction and Engagement:** This KPI measures employee satisfaction and engagement through surveys or other feedback mechanisms. High employee satisfaction often correlates with increased productivity and reduced turnover.
7. **Market Share:** Market share represents the Group's portion of the total market sales within its industry. Monitoring changes in market share helps evaluate the effectiveness of the Group's competitive strategies.
8. **Debt-to-Equity Ratio:** This financial KPI indicates the level of debt relative to equity. A healthy ratio suggests a well-balanced capital structure and financial stability.
9. **Customer Lifetime Value (CLV):** CLV measures the total value a customer brings to the Group over their entire relationship. It helps assess the long-term impact of customer relationships on the Group's revenue.
10. **Average Order Value (AOV):** AOV calculates the average value of each customer transaction. Monitoring AOV can help identify opportunities to upsell or cross-sell to increase revenue per customer.
11. **Website Traffic and Conversion Rates:** These KPIs assess the effectiveness of the Group's online presence and marketing efforts in attracting potential customers and converting them into paying ones.
12. **R&D Investment Ratio:** This ratio measures the proportion of revenue invested in research and development. A higher ratio indicates a commitment to innovation and potential future growth.
13. **Health and Safety Incidents:** Tracking the number of health and safety incidents helps ensure a safe working environment for employees and can indicate the effectiveness of safety protocols.
14. **Environmental Impact Metrics:** These KPIs assess the Group's environmental sustainability efforts, such as carbon emissions reduction and waste management.

Going concern

As outlined in note 2, these financial statements have been prepared under the assumption of a going concern. Following thorough investigation, the directors hold a reasonable expectation that both the Company and the Group possess sufficient resources to sustain operations for at least the next 12 months from the date of approving these financial statements. Therefore, they have chosen to continue preparing the financial statements on a going concern basis.

Capital and returns management

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and in the medium-term dividends paid pursuant to the Group’s dividend policy.

Section 172 Report

The revised UK Corporate Governance Code (‘2018 Code’) was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 (‘2018 MRR’) require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 (‘S172’) when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The S172 statement, explains how Directors:

- have engaged with employees, suppliers, customers and others; and

- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to the Group, and the level of information disclosed is consistent with the size and the nature of the business.

The Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. The Manual of Authority sets out the delegation and approval process across the broader business. When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Group's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

<u>The likely consequences of any decision in the long term</u>

The Directors understand the business and the evolving environment in which the Group operates. The strategy set by the Board is intended to strengthen our position as a leading network services provider while keeping safety and social responsibility fundamental to our business approach. In 2020, to help achieve all strategic ambitions, the Board refreshed our strategy to further focus on developing the Group's business. However, while investing for the future, the Board also recognise we must meet today's connectivity and technology demand.

<u>The interests of the company's employees</u>

The Directors recognise that Orient employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. In ensuring that we remain a responsible employer, including pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

<u>The need to foster the company's business relationships with suppliers, customers and others</u>

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, and government agencies. Orient seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships and this alongside other standards are described in The General Business Principles, which are reviewed and approved by the Board periodically. The Board also reviews and approves the Group's approach to suppliers which is set out in the Supplier Principles. The businesses continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals.

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from information provided from the Projects & Technology function to information provided by the businesses.

The impact of the company's operations on the community and the environment

This aspect is inherent in our strategic ambitions, most notably on our ambitions to thrive through the Telecommunication and Technology transition and to sustain a strong societal and business licence to operate. As such, the Board receives information on these topics to both provide relevant information for specific Board decisions (e.g. those related to specific strategic initiatives) and to provide ongoing overviews at the Orient group level (e.g., regular Safety & Environment Performance Updates, reports from the Chief Ethics & Compliance Officer and Chief Internal Auditor). In 2020, certain Board Committee members conducted site visits of various Orient operations and overseas offices and held external stakeholder engagements, where feasible.

The desirability of the company maintaining a reputation for high standards of business conduct

Orient aims to meet the region's growing need of connectivity and cloud-based services with high performance solutions in ways which are economically, technologically, and socially responsible. The Board periodically reviews and approves clear frameworks, such as The General Business Principles, Company's Code of Conduct, specific Ethics & Compliance manuals, and its Modern Slavery Statements, to ensure that its high standards are maintained both within Orient Telecoms businesses and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken and that the Group acts in ways that promote high standards of business conduct.

The need to act fairly as between members of the company

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

Culture

The Board recognises that it has an important role in assessing and monitoring that our desired culture is embedded in the values, attitudes, and behaviours we demonstrate, including in our activities and stakeholder relationships. The Board has established honesty, integrity, and respect for people as Orient Telecoms' core values. The General Business Principles, Code of Conduct, and Code of Ethics help everyone at Orient Telecoms act in line with these values and comply with relevant laws and regulations. The Commitment and Policy on Health, Safety, Security, Environment & Social Performance applies across the Group and is designed to help protect people and the environment. We relentlessly pursue Goal Zero, our safety goal to achieve no harm and no leaks across all our operations. We also strive to maintain a diverse and inclusive culture.

The Board considers the People Survey to be one of its principal tools to measure employee engagement, motivation, affiliation, and commitment to Orient Telecoms. It provides insights into employee views and has a consistently high response rate. The Board also utilises this engagement to understand how survey outcomes are being leveraged to strengthen the Group's culture and values.

Stakeholder engagement (including employee engagement)

The Board recognises the important role Orient Telecoms has to play in society and is deeply committed to public collaboration and stakeholder engagement. This commitment is at the heart of the Company's strategic ambitions. The Board strongly believes that Orient Telecoms will only succeed by working with customers, governments, business partners, investors, and other stakeholders.

We continue to build on our long track record of working with others, such as partners, industry and trade groups, universities, government agencies, and in some instances our competitors through mutually beneficial business dealings. We believe that working together and sharing knowledge and experience with others offers us greater insight into our business. We also appreciate our long-term relationships with our customers, investors and acknowledge the positive impact of ongoing engagement and dialogue.

To support strengthening the Board's knowledge of the significant levels of engagement undertaken by the broader business, guidance on information, proposals or discussion items provided to the Board was updated in 2023 to further promote and focus considerations of the views, interests and concerns of our stakeholders and how these were considered by Management. The Board also engaged with certain stakeholders directly, to understand their views.

Sayed Mustafa Ali
Director
31 July 2024

Directors' report

The Directors present their report together with the audited consolidated financial statements and the financial statements of the Company (together the "Group") for the year ended 31 March 2024.

An indication of the likely future developments in the business of the Group are included in the Strategic Report.

Results and dividends

The results for the reporting year are set out in the Consolidated Statement of Comprehensive Income on page 29. The Directors do not recommend the payment of a dividend on the ordinary shares (2023: £nil)

Directors

The Directors of the Company during the year were:

Sayed Mustafa Ali
Wong Chee Keong
Michael Goh Seng Kim (resigned 31st October 2023)
Kirubarharan Ponniah (appointed 18th October 2023)

Directors' interest

None of the Directors held any interest and deemed interest in the share capital of the Company and its related corporation at the end of financial period.

No Director currently has any share options, and no share options were granted to or exercised by a Director in the reporting period.

Share capital, restrictions on transfer of shares, arrangements affected by change of control and other additional information

The Company has one class of share capital, ordinary shares. All the shares rank pari passu. The articles of association of the Company contain provisions governing the transfer of shares, voting rights, the appointment and replacement of Directors and amendments to the articles of association. This accords with usual English company law provisions. There are no special control rights in relation to the Company's shares. There are no significant agreements to which the Company is a party which take effect, alter or terminate in the event of a change of control of the Company. There are no agreements providing for compensation for Directors or employees on change of control.

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare the Group and the Company financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and elected to prepare the Company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Strategic Report, Directors' report and Directors' Remuneration report which comply with the requirements of the Companies Act 2006;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and the Company to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the Strategic Report, Directors' report and other information included in the annual report and the financial statements are made in accordance with applicable law in the United Kingdom. The maintenance and integrity of the Orient Telecoms Plc website is the responsibility of the Directors.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

The Directors are responsible for preparing the Financial Statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ("DTR") and with UK-adopted International Accounting Standards.

The directors confirm, to the best of their knowledge that:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company;
- the Strategic and Directors' Report include a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the group's position, performance, business model and strategy.

Liability insurance for Company officers

The Company has not obtained any third-party indemnity for its Directors.

Dividend policy

The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

Substantial shareholders

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at 31 March 2024.

Share Holder's Name	Number of Ordinary Shares	Percentage of share capital
James Brearley CREST Nominees Limited	6,535,000	65.35%
Eastman Ventures Limited	600,000	6.00%
Nordic Alliance Holding Ltd	600,000	6.00%
Belldom Limited	450,000	4.50%
Standard Minerals Limited	440,000	4.40%
Link Summit Limited	425,000	4.25%
Infinity Mission Limited	400,000	4.00%

Financial risk management and future development

An explanation of the Group's financial risk management objectives, policies and strategies is set out in note 18.

Events after the reporting date

There were no subsequent events after the reporting period.

Employee and Greenhouse Gas (GHG) Emissions

The Company is trading with less than 20 employees including directors, and therefore has minimal carbon emissions. As the Group's annual energy consumption is below 40,000 kwh no energy and carbon report are presented.

Equality

The Company promotes a policy for the creation of equal and ethnically diverse employment opportunities including with respect to gender. The Company promotes and encourages employee involvement wherever practical as it recognises employees as a valuable asset and is one of the key contributions to the Company's success.

Corporate governance

The Company adopted corporate governance and follow its policies and practices that set out in Corporate Governance Statement.

Auditors

The auditors, Macalvins Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Auditors and disclosure of information

The directors confirm that:

- there is no relevant audit information of which the Company's statutory auditor is unaware; and
- each Director has taken all the necessary steps he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

This was approved by the Board of Directors on 31 July 2024 and is signed on its behalf by;

Sayed Mustafa Ali
Director
31 July 2024

Corporate governance

The board is committed to maintaining appropriate standards of corporate governance. The statement below explains how the Group has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the Group and contains the information required by section 7 of the UK Listing Authority's Disclosure and Transparency Rules ("DTR").

Although the UK Corporate Governance Code is not compulsory for companies whose shares are admitted to trading on the Main Market (Standard Listing), the Board recognises the importance of sound corporate governance and have developed governance policies appropriate for the Group, given its current size and resources. The Group is a small group with modest resources. The Group has a clear mandate to optimise the allocation of limited resources to support its expansion and future plans. As such the Group strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Group evolves, the board is committed to enhancing the Group's corporate governance policies and practices deemed appropriate to the size and maturity of the organisation.

Board of directors

The board currently consists of one executive director and two independent non-executive directors. Following its Admission, the board meets regularly throughout the year to discuss key issues and to monitor the overall performance of the Group. The board has a formal schedule of matters reserved for its decision. The board met eleven times during the year. The board, led by the independent non-executive directors, evaluates the annual performance of the board and the chairman.

The table below sets out the board meetings held by the Company for the year ended 31 March 2024 and attendance of each director:

	Board meetings
Sayed Mustafa Ali	12 / 12
Michael Goh Seng Kim	7 / 12
Wong Chee Keong	12 / 12
Kirubarharan Ponniah	5/12

Audit committee

The audit committee, which was chaired by Michael Goh Seng Kim until his resignation in October 2023, comprises independent non-executive directors. The Board is satisfied with the services provided by Mr Michael during his tenor as committee chairman and wish to thank him for his services. The Board have appointed Mr Kirubarharan Ponniah as the new chairman of the audit committee

The Audit Committee determines the terms of engagement of the Group's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee receives and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The ultimate responsibility for reviewing and approving the Annual Report and financial statements and the half-yearly reports remains with the Board.

The Audit Committee is responsible for:

- monitoring in discussion with the auditors the integrity of the financial statements of the Company, any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
- reviewing the Company's internal financial controls and the Company's internal control and risk management systems;
- considering annually whether there is a need for an internal audit function and make a recommendation to the Board;
- making recommendations to the Board for it to put to the shareholders for their approval in the general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services, taking into account relevant external guidance regarding the provision of non-audit services by the external audit firm; and
- reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

For the year under review, there were no non- audit services rendered to the Group and the Company. The audit committee considered the nature, scope of engagement and remuneration paid were such that the independence and objectivity of the auditors were not impaired. Fees paid for audit are provided in Note 5.

<u>Remuneration committee</u>

The remuneration committee consists of both executive and non-executive directors and was chaired by Michael Goh Seng Kim as chairman of Remuneration committee until his resignation in October 2023. The committee meets when required to consider aspects of directors' and staff remuneration, share options and service contracts. The Board have appointed Mr Kirubarharan Ponniah as the new chairman of the committee

The Directors' Remuneration Report is presented on page 21 to 22.

<u>Nominations committee</u>

The Nomination Committee consists of both executive director and independent non-executive directors and was chaired by Mr Wong Chee Keong. The nomination committee meets, when required, to examine the selection and appointment practises in meeting the company's need. No such meeting took place during the year.

<u>Internal financial control</u>

Financial controls have been established to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial processes include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the board;

- evaluation, approval procedures and risk assessment required close involvement of the chief executive in the day-to-day operational matters of the company.

The directors consider the size of the company and the close involvement of executive directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The directors will continue to monitor this situation.

Furthermore, Regarding the LR 9 Annex 2, Data on the diversity of the individuals on a listed company's board and in its executive management for the year end 31 March 2024 was disclosed as below table:

(a) Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	100%	2	2	80%
Women	-	-	-	1	20%

(b) Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	-	-	-	-	-
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	3	75%	2	3	100%
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	1	25%	-	-	-
Not specified/ prefer not to say	-	-	-	-	-

The main reason for not meeting the target of having at least 40% women on the board is due to the Group has encountered challenges in identifying and recruiting qualified women candidates who meet the required criteria for board membership and senior position in the group. Continuous efforts to promote diversity and meet regulatory expectations are ongoing, including initiatives to expand the candidate pool and enhance diversity awareness within the organization.

Given our board's small size with only three members, our appointments are primarily focused on securing the necessary expertise and skills critical to our business operations. This limitation has meant that opportunities for adding minority ethnic representation have been constrained by our immediate need to address specific business needs. However, we are committed to diversity and are actively exploring ways to integrate diverse perspectives into our leadership team as we continue to grow.

Relations with shareholders

The Company maintains a corporate website at http://www.orient-telecoms.com/. This website is updated regularly and includes information on the Company’s share price as well as other relevant information concerning the Company, which is available for downloading.

Directors' Remuneration Report

The Directors' Remuneration Report sets out the Group's policy on the remuneration of Directors together with the details of Directors' remuneration packages and services contracts for the period 1 April 2023 to 31 March 2024.

The Board as a whole will review the scale and structure of the Directors' fees, taking into account the interests of the shareholders and the performance of the Company and Directors.

The items included in this report are unaudited unless otherwise stated.

The Company maintains contact with its shareholders about remuneration in the same way as other matters and, as required by Section 439 of the Companies Act 2006, this remuneration report will be put to an advisory vote of the Company's shareholders at the forthcoming Annual General Meeting.

Statement of Orient Telecoms plc's policy on Directors' remuneration

As set out in the Company's Prospectus dated 18 October 2017, each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. However, the aggregate of all fees payable to the Directors must not exceed £150,000 a year or such higher amount as may from time to time be decided by ordinary resolution of the Company.

In addition, any fees payable to the Directors shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions and shall accrue from day to day.

The Board may also make provisions for pension entitlement for Directors.

There have been no changes to the Directors' remuneration or remuneration policy since the publication of the Company's Prospectus dated 18 October 2017.

Terms of employment

Sayed Mustafa Ali has been appointed by the Company to act as an executive director under a service agreement dated 12 October 2017. His appointment commenced on 12 October 2017 and is terminable on six months' written notice on either side. He is entitled to a fee of £15,000 per annum.

Wong Chee Keong has been appointed by the Company to act as a non-executive director under a service agreement dated 9 April 2020. His appointment commenced on 9 April 2020 and is terminable on six months' written notice on either side. He is entitled to a fee of RM120,000 (approximately £20,100) per annum.

Michael Goh Seng Kim has been appointed by the Company to act as a non-executive director under a service agreement dated 30th December 2022. His appointment commenced on 1st January 2023 and is terminable on six months' written notice on either side. He is entitled to a fee of £12,000 per annum. He resigned on 31st October 2023.

Kirubarharan Ponniah has been appointed by the Company to act as a non-executive director under a service agreement dated 18th October 2023. His appointment commenced on 18th October 2023 and is terminable on three months' written notice on either side. He is entitled to a fee of £12,000 per annum.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

Directors' emoluments and compensation

Directors' emoluments for the year ended 31 March 2024 are set out in note 15.

Statement of Directors' shareholding and share interest

The Directors who served during the year ended 31 March 2024, and their interests at that date, are disclosed on Page 13. There were no changes between the reporting date and the date of approval of this report.

None of the Directors has any potential conflicts of interest between their duties to the Company and their private interests or other duties they may also have.

Other Matters

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

The Company does not have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any Directors.

Approved on behalf of the Board of Directors.

Kirubarharan Ponniah
Chairman, Remuneration Committee
31 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORIENT TELECOMS PLC FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Orient Telecoms Plc (the "Company") and its subsidiary undertakings (together referred to as the "Group") for the year ended 31 March 2024, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 March 2024;
- the consolidated and the Company statement of financial position as at 31 March 2024;
- the consolidated statement of cash flows for the year ended 31 March 2024;
- the consolidated and the Company statement of changes in equity for the year ended 31 March 2024; and
- notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended; and
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our audit opinion is consistent with our reporting to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Confirm our understanding of the directors' going concern assessment process, including the controls over the review and approval of the budget and plan. We have obtained a copy of management's assessment of going concern and evidence that the assessment was approved by the Board;
- Assessing the appropriateness of the duration of the going concern assessment period to 31 July 2025 and considering the existence of any significant events or conditions beyond this period based on our procedures on the company's plans and knowledge arising from other areas of the audit;
- Review and verification of the inputs and assumptions used in the board approved working capital forecasts, identifying the key assumptions and evaluating the appropriateness of these assumptions;
- Evaluating management's historical forecasting accuracy and the consistency of the going concern assessment with information obtained from other areas of the audit, such as our audit procedures on the company's plans.;
- Testing the mechanical accuracy of the going concern analysis;
- Performing independent sensitivity analysis on management's assumptions including applying adverse cashflow sensitivities and evaluating the appropriateness of mitigating actions available to management for example deferring expenditure; and
- Evaluating the disclosures on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £11,000 based on 3% of turnover for the year.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be £8,250.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £550. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Company is accounted for from one central operating location based in Kuala Lumpur, Malaysia where all the Group's records were maintained.
In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at the significant component by us, as the primary audit engagement team. For the full scope component in Malaysia, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

We engaged with the component auditors at all stages during the audit process and directed the audit work on the non-UK subsidiary undertakings. We directed the component auditor regarding the audit approach at the planning stage, issued instructions that detailed the significant risks to be addressed through the audit procedures and indicated the information we required to be reported on.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance on our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

Key audit matter	Audit response to key matter	Findings
Fraud in revenue recognition	Presumed risk under ISA 240: Incorrect treatment of income under IFRS and FRS101. We performed relevant audit procedures and specific tests to evaluate if income had been omitted from the financial statements for the current year. Our procedures included the following: - **Carried out substantive audit testing on revenue recognised during the year and cut-off testing**: - Our review of the revenue and contracts did not reveal evidence of income which had been omitted and not accurately reflected in the financial statements. - **Evaluating that management's revenue recognition policies are compliant:** - All contracts including key contractual terms and	These procedures enabled to us to form an opinion that the presumed risk of fraud in revenue recognition is rebuttable under ISA 240.

Key audit matter	Audit response to key matter	Findings
	obligations were inspected and application of the revenue recognition policy was appropriate, indicating that income recognition is accurate. This also included reviewing the work carried out on revenue recognition, on the same basis as ourselves, by the component auditor. - **Audited material manual journals posted to revenue:** - Our review did not provide evidence that the company had completed any unrecorded revenue or revenue-generating agreements that would affect income recognition in the financial statements.	
Management override of controls	Presumed risk under ISA 240: Risk of management using their position in the company to manipulate financial results and misappropriate assets. In addition to the procedures described in the "Auditor's responsibilities for the audit of the financial statements" of the Audit report, we audited to higher risk all areas requiring judgement, performed tests on a sample basis of journal entries exhibiting unusual characteristics, journals relating to areas of significant audit interest and incorporated unpredictability in our substantive testing procedures. We assessed the appropriateness of liabilities and transactions to related parties, reviewing management's review of contracts, their identification and estimation of performance obligations, including ratification of such obligations by the board and reviewing appropriate supporting documentation.	Based on our audit procedures performed we have not identified any instances of management override of controls.
Going concern	Risk of incorrect use of the going concern assumption based on the company's performance and future obligations. We performed procedures to test and assess the significant assumptions used in the working capital forecasts, including performing sensitivity analysis as detailed in the going concern section of the audit report.	Based on the result of our audit procedures we have concluded the directors' adoption of the going basis of preparation is appropriate.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of time and efforts of the engagement team and directing the audit procedures undertaken. The identification and adjustment of the expenditure referred to in the key audit matters above were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters and did not change our assessment of key audit matters during the performance of the audit.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- Fair, balanced and understandable – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the groups' position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting - the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee;

We have nothing to report in respect of these matters.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception.

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 and Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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 ISAs (UK) 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK and Malaysia jurisdictions in which the Group operates.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, and reviewing accounting estimates for biases.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances on non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the board on 12 June 2024 to audit the financial statements. Our total uninterrupted period of engagement is less than one year.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit. No other non-audit services were provided to the group or the parent company.
Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Macalvins Ltd.

Pankaj Rajani
(Senior Statutory Auditor)
For and on behalf of Macalvins Limited
Statutory Auditors
7 St John's Road
Harrow
Middlesex HA1 2EY

Date: 31/07/2024

ORIENT TELECOMS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 MARCH 2024

	Notes	Year 31-Mar-24 £	Year 31-Mar-23 £
Revenue	4	**376,557**	**463,418**
Direct cost		(40,266)	(47,175)
GROSS PROFIT		336,290	416,243
Administrative expenses	5	(290,342)	(372,091)
OPERATING PROFIT		45,948	44,152
Other income – Gain on ROU Early Termination		6,255	10,228
Finance income		2,090	1,952
Finance cost		(8,846)	(16,013)
PROFIT BEFORE TAXATION		45,447	40,319
Income tax expense	6	(19,021)	
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS		26,426	40,319
OTHER COMPREHENSIVE INCOME			
Items that will or may be reclassified to profit or loss:			
Translation of foreign operation		(26,206)	3,605
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		220	43,924
Basic and diluted profit per share (pence)	7	0.26	0.40

The notes to the financial statements form an integral part of these financial statements.

All amounts are derived from continuing operations.

ORIENT TELECOMS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	As at 31-Mar-24 £	As at 31-Mar-23 £
ASSETS			
NON-CURRENT ASSET			
Right-of -use asset	8	50,127	198,762
CURRENT ASSETS			
Trade and other receivables	9	308,167	275,612
Bank	10	336,380	329,792
		644,547	605,404
TOTAL ASSETS		**694,674**	**804,166**

The notes to the financial statements form an integral part of these financial statements.
All amounts are derived from continuing operations.

	Notes	As at 31-Mar-24 £	As at 31-Mar-23 £
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	11	1,000,000	1,000,000
Translation reserve		(39,339)	(13,132)
Accumulated loss		(419,783)	(446,209)
		540,878	540,659
CURRENT LIABILITIES			
Trade and other payables	12	103,538	59,118
Lease liability	13	17,176	98,650
		120,714	157,768
NON-CURRENT LIABILITIES			
Lease liability	13	33,082	105,739
		33,082	105,739
TOTAL EQUITY AND LIABILITIES		**694,674**	**804,166**

The notes to the financial statements form an integral part of these financial statements.

This report was approved by the board and authorised for issue on 31 July 2024 and signed on its behalf by;

………………………
Sayed Mustafa Ali
Director

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Year 31-Mar-24 £	Year 31-Mar-23 £
Cash flow from operating activities		
Profit after tax	26,426	40,319
Adjustment for:		
Translation of foreign operations	(26,206)	3,605
Unrealised exchange loss		-
Depreciation of right-of-use-assets	72,913	96,014
Gain on lease termination	(6,255)	-
Interest income	(2,090)	(1,953)
Interest on lease liabilities	8,846	16,013
	73.634	153,998
Changes in working capital		
Trade and other receivables	(32,556)	(149,677)
Trade and other payables	44,420	(36,705)
Cash flow from operations	11,864	(32,384)
Interest received	2,090	1,953
Net cash generated from/ (used in) operating activities	**87,588**	**(30,431)**
Cash flow from financing activities		
Interest paid	(8,846)	(16,013)
Repayment on lease liability	(71,687)	(90,387)
Exchange gain/(loss) on early lease termination	(466)	
Net cash used in financing activities	**(80,999)**	**(106,400)**
Net movement in cash and cash equivalents	**6,588**	**(136,831)**
Cash and cash equivalents at beginning of period	329,792	466,623
Exchange gain on cash and cash equivalents		
Cash and cash equivalents at end of period	**336,380**	**329,792**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Translation reserve	Accumulated loss	Total
	£	£	£	£
As at 31 March 2022	1,000,000	(16,737)	(486,528)	496,735
Translation of foreign operation	-	3,605	-	3,605
Profit for the year	-	-	40,319	40,319
Total comprehensive income for the year	-	3,605	40,319	43,924
As at 31 March 2023	1,000,000	(13,132)	(446,209)	540,659
Translation of foreign operation	-	(26,206)	-	(26,206)
Profit for the year	-	-	26,426	26,426
Total comprehensive income for the year	-	(26,206)	26,426	220
As at 31 March 2024	1,000,000	(39,338)	(419,783)	540,879

1. GENERAL INFORMATION

The Company was incorporated in England and Wales on 26 February 2016 under the UK Companies Act 2006 and listed in Main Market London Stock Exchange on 25 October 2017. The registered office of the Company is at Eastcastle House, 27/28 Eastcastle Street, London, United Kingdom, W1W 8DH.

The financial statements comprise the financial information of the Company and its subsidiary (together referred to as the "Group").

2. ACCOUNTING POLICIES

The Board has reviewed the accounting policies set out below and considers them to be the most appropriate to the Group's business activities.

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention as modified for financial assets carried at fair value.

The financial information of the Company is presented in British Pound Sterling ("£") which is the functional currency of the Company.

Going concern

The Group meets its day to day working capital requirements through existing cash reserves. In undertaking this assessment, they have considered the principal risks and uncertainties as set out in the Strategic Report, and have assessed that the Group will have adequate working capital for the Company and the Group to be able to meet its liabilities as they fall due.

The directors have prepared financial projections and plans for a period of at least 12 months from the date of approval of these financial statements. The directors believe the Group has considerable financial resources together with a diverse corporate customer base and long-standing relationship with a number of key suppliers. As a consequence, the Group is well placed to manage its business risks.

For the year under review, the Group remained profitable and was net cash generating from the operating activities. The Group had a cash balance of approximately £336,000 at the reporting date and the cash balance was approximately £304,176 at 29 July 2024, which the Directors believe will be sufficient to pay its ongoing expenses and to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. These financial statements have been prepared on a going concern basis at the end of reporting period.

After making this enquiry, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Standards, interpretation and amendments to published standards issued and applied

During the financial year, the following amendments to standards became effective. We have adopted these amended standards and they have not had a material impact on the Group's financial statements.

- Amendments to IAS 1 and IFRS Practice Statement 2: disclosure of accounting policies.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; definition of accounting estimates.
- Amendments to IAS 12 Income Taxes: deferred tax related to assets and liabilities arising from a single transaction.
- IFRS 17 Insurance Contract including amendments to IFRS 17 (and initial application of IFRS 17 and IFRS 9 Financial instruments – comparative information.

Standards, interpretations and amendments to published standards issued but not yet applied

Following standards, interpretations and amendments to published reports have been introduced and which have become effective 1st January 2024.

We will be adopting them, if applicable in the following financial year. We are currently assessing their impact, but they are not expected to be material to the Group's financial statements.

- Amendments to IAS 1 Presentation of Financial Statements: non-current liabilities with covenants and classification of liabilities as current or non-current – effective date 1 January 2024.
- Amendments to IFRS 16 Leases: lease liability in a sale and lease back – effective date 1 January 2024.

Standards, interpretations and amendments to published standards issued but not yet effective

- Amendments to IAS 21 – Lack of Exchangeability – effective 1 January 2025.
- IFRS 18 - Presentation and Disclosure in Financial Statements – effective 1 January 2027.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries drawn up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-company transaction, balances, income and expenses are eliminated in full on consolidation.

Revenue recognition

Revenue is recognised either when the performance obligation in the contract has been performed (so 'point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. Revenue represents rendered managed telecommunication services to the customers, the end users, which is recognised over the period of time when the services is performed.

Taxation

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because the taxable profits exclude items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Group's liability for corporate tax is calculated using the income tax rates that have been gazetted for the current reporting date.

Deferred income tax is provided for using the liability method on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised in full for all temporary differences. Deferred income tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused losses can be utilised.

The carrying amount of deferred income tax assets is assessed at each reporting 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 deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that is probable that future taxable profits will allow the deferred income tax asset to be recovered.

Foreign currency

The Group's consolidated financial statements are presented in Sterling. The functional currency of the Group's subsidiary is Ringgit Malaysia ("MYR"). The Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the reporting date. Income and expenses are translated at weighted average exchange rates for the period. The exchange differences arising on translation for consolidation are recognised in the translation reserve.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and loan to related parties, are included under other non-current financial assets. In the periods presented the Group does not have any financial assets categorised as fair value through OCI.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a historical provision matrix in the determination of the lifetime expected credit losses except for the key customer which are separately assessed with its standalone credit risk profile. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised, unless further information becomes available contrary to the increased credit risk. For those that are determined to be permanently credit impaired, lifetime expected credit losses are recognised.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Cash and cash equivalents

The Group considers any cash on short-term deposits and other short-term investments to be cash equivalents.

Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the incremental borrowing rate is calculated on a lease by lease basis.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the two main directors and two non-executive directors.

The Board considers that the Group's activity constitutes one operating and one reporting segment, as defined under IFRS 8. Management reviews the performance of the Group by reference to total results against budget.

The total profit measures are operating profit and profit for the period, both disclosed on the face of the income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group's financial information.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates or judgements. The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Lease liability discount rate
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third-party financing; and
- Makes adjustments specific to the lease, e.g. term, currency and security.

The Group used incremental borrowing rates at a prevailing rate of 7%.

4. REVENUE

	Year 31-Mar-24 £	**Year 31-Mar-23 £**
Revenue	376,557	463,418
	376,557	463,418

Invoicing and payment terms are generally monthly in advance except for a single customer is granted extended timeframe for settlement. A contract liability represents the obligation of the Group to render services to a customer for which consideration has been received (or the amount is due) from the customer.

In addition, under contract with customer, the customer is also entitled to claim rebates if the service performance/downtime is more than the allowed hours in any given month. The Group has implemented an open source fully customised Network Performance Monitoring system, which can provide an in-depth view of performance by customer. Due to the high level of service provided under each contract with a customer, the Group has no history of having to provide rebates. On that basis, the variable consideration was considered as remote.

All revenue derived from Malaysia, Singapore and Thailand. Revenue excludes value added tax and other sales taxes.

5. MATERIAL PROFIT OR LOSS ITEMS

A number of items which are material due to the significance of their nature and/or amount is stated as follow:

	Year 31-Mar-24 £	Year 31-Mar-23 £
Consultancy fee	10,067	10,977
Staff costs (include directors)	110,647	161,588
Depreciation of right-of-use assets	72,913	96,014
Advertising and marketing	-	9,367
Interest on lease liability	8,846	16,013
Auditors' remuneration:		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	24,000	17,000
Fees payable to the Group's subsidiary auditor for the audit of the subsidiary's annual accounts	1,678	1,829

6. INCOME TAX EXPENSE

The corporation tax in the UK applied during the year was 25% (2023: 19%).

The charge for the year can be reconciled to the profit/(loss) in the Statement of Comprehensive income as follow:

	As at 31-Mar-24 £	As at 31-Mar-23 £
Profit/(loss) before tax on continuing operations	45,447	40,319
Tax at the UK corporation tax rate	11,362	7,661
Tax effect of expenses that are not deductible in determining taxable profit	27,384	18,071

Difference in oversea tax rate	-	6,772
Utilised tax loss	(19,726)	(32,504)
Tax charge for the year	19,021	-

The Group has accumulated no more tax losses (2023: £78,902) which can be carried forward. No deferred tax asset has been recognised in respect of the losses carried forward, due to the uncertainty as to whether the Group will generate sufficient future profits in the foreseeable future to prudently justify this.

7. PROFIT / (LOSS) PER SHARE

Basic and diluted profit per ordinary share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are currently no dilutive potential ordinary shares.

Profit per share attributed to ordinary shareholders

	Year 31-Mar-24 £	**Year 31-Mar-23 £**
Profit for the year (£)	26,426	40,319
Weighted average number of shares (Unit)	10,000,000	10,000,000
Basic and diluted profit per share (Pence)	0.26	0.40

8. RIGHT-OF-USE ASSET

	Office
Cost	£
At 1 April 2023	472,598
Reduction due to early termination in lease term	(472,598)
Addition due to new lease term	54,685
At 31 March 2024	54,685
Accumulated depreciation	
At 1 April 2023	273,836
Depreciation for the year	72,913
Reversal of accumulated depreciation due to early termination	(342,192)
At 31 March 2024	4,557
Net Book Value	
At 31 March 2024	50,127
At 31 March 2023	198,762

The Group subsidiary early terminated the lease agreement for an office with effect from 31 December 2023 and entered to a new lease period of three (3) years commence of 1st January 2024.

9. TRADE AND OTHER RECEIVABLES

	As at 31-Mar-24 £	**As at 31-Mar-23 £**
Trade receivables	158,477	142,599
Prepayment and deposit	6,801	32,981
Other receivables	142,890	100,032
	308,167	275,612

The Group allows credit terms of 30 days to all customers. During the pandemic, the Group made an exception to allow certain customers to settle the debts at the agreed extended timeframe. Subsequent to the year end, the Group received the payment of the overdue debts in full before the date of approval of these financial statements. Accordingly, these past due trade receivables are not impaired and no expected credit loss is recognised in these financial statements.

10. BANK

Cash and cash equivalents are denominated in the following currencies:

	As at 31-Mar-24 £	**As at 31-Mar-23 £**
Great Britain Pound	32,174	14,520
Singapore Dollar	20,111	20,858
United States Dollar	107,628	35,410
Malaysia Ringgit	176,467	259,004
	336,380	329,792

11. SHARE CAPITAL

Ordinary shares of £0.10 each

	Number of shares	Amount £
Issued and paid up		
As at 31 March 2024 and 31 March 2023	10,000,000	1,000,000

At 31 March 2024, the total issued ordinary share of the Group were 10,000,000.

12. TRADE AND OTHER PAYABLES

	Year 31-Mar-24 £	Year 31-Mar-23 £
Amount due to directors	4,159	4,830
Trade creditors	6,030	
Accruals	42,712	34,108
Contract liability	12,559	4,125
Other payables	19,056	16,055
Estimated Tax Payable	19,021	
	103,538	59,118

13. LEASE LIABILITY

	Year 31-Mar-24 £	Year 31-Mar-23 £
At 1 April	204,389	294,776
Addition	54,685	-
Changes due to lease modification	(120,181)	-
Repayment of principal	(71,687)	(90,387)
Exchange differences	(16,948)	-
At 31 March	50,258	204,389

Lease liabilities are payable as follow:

Current liability	17,176	98,650
Non-current liability	33,082	105,739
	50,258	204,389

14. SUBSIDIARY UNDERTAKINGS

The details of the subsidiary in the Group are as follows:

Name of subsidiary	Country of incorporation	Effective holding	Principal activities
Orient BB Sdn. Bhd.	Malaysia	100%	IT managed services
Orient Telecoms Ltd	British Virgin Island	100%	IT managed services

Below is the registered address of the subsidiary undertakings.

ORIENT BB Sdn Bhd	28, 3rd Floor, Lorong Medan Tuanku Satu, 50300 Kuala Lumpur, Malaysia
Orient Telecoms Ltd	Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands

15. EMPLOYEES AND DIRECTORS' EMOLUMENTS

	Year ended 31-Mar-24 £	Year ended 31-Mar-23 £
Staff costs (include directors)	111,680	166,253

Directors' fee during the year

	Year ended at 31-Mar-23 £	Year ended at 31-Mar-22 £
Wong Chee Keong	20,651	22,448
Sayed Mustafa Ali	15,000	15,000
Ross Andrews	-	20,000
Michael Goh Seng Kim	6,000	3,000
Kirubarharan Ponniah	5,000	-
	46,651	60,448

The Directors' fees are payable to the third-party companies in respect of their services as the directors of the Group.

The average monthly number of employees, including directors, during the year was 9 (2023: 11)

16. SEGMENTAL ANALYSIS

The chief operating decision maker has determined that in the year end 31 March 2024, the Group had a single operating segment, the provision of managed telecommunications services.

Apart from holding Group activities in the UK the Group's operations where predominantly revenue derived from Malaysia, representing 53% (2023: 62%) of total revenue, and the remaining revenue derived from the countries within the South East Asia region during the reporting year.

There are 2 customers (2023 2 customers) with revenue greater than 10% during the reporting year as follow:

	As at 31-Mar-24 £	As at 31-Mar-23 £
Customer A	115,535	114,026
Customer B	60,000	120,000
	175,535	234,026

17. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise trade & other receivables and other payables. The Group's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in Note 2. The Group does not use financial instruments for speculative purposes.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	As at 31-Mar-24 £	As at 31-Mar-23 £
Financial assets		
Loans and receivables		
Cash and cash equivalent	336,380	329,792
Trade and other receivable	282,023	225,300
Total financial assets	618,403	555,092
Financial liabilities at amortised cost		
Amount due to directors	4,159	4,830
Trade and other payables	99,379	54,288
Total financial liabilities	103,538	59,118

The Group uses a limited number of financial instruments, comprising cash, short-term deposits and various items such as trade receivables and payables, which arise directly from operations. The Group does not trade in financial instruments and it has no external borrowing.

18. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Currency risk

The Group has transactional currency exposures arising from sales, and expenses that are denominated in a currency other than in Pounds Sterling. The foreign currency in which these transactions are denominated in Ringgit Malaysia ("MYR"). The Group also holds cash and cash equivalents denominated in foreign currencies, predominantly in MYR, for working capital purposes.
At the reporting date, the following Group's financial instruments are denominated in MYR:

	As at 31-Mar-24 £	As at 31-Mar-23 £
Financial assets		
Loans and receivables		
Cash and cash equivalent	176,466	259,004
Trade and other receivable	46,015	81,837
Total financial assets	222,481	340,841
Financial liabilities at amortised cost		
Trade and other payables	67,381	36,888
Total financial liabilities	67,381	36,888
Net financial asset	155,100	303,953

If the GBP strengthened by 5% against the MYR, with all other variables in each case remaining constant, then the impact on the group's post-tax profit for the year would be profit / (loss) of approximately £8,074 (2023: profit of £7,528).

b) Credit risk

The Group's exposure to credit risk or the risk of counterparties defaulting, is primarily attributable to trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by (i) customer is compulsory to place security deposit (ii) 1-month payment in advance for monthly recurring invoice (iii) no credit risk for past 12 month

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to amounts owing by one (1) customer which constitute 90% (2023: 75%) of its trade receivables as at the end of the reporting period.

(ii) Exposure to credit risk

At the end of the financial year, the maximum exposure to credit risk is represented by the carrying amount of each class of the financial assets recognised in the statement of financial position of the company after deducting any allowance for impairment losses (where applicable)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired
The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of

income to generate sufficient cash flows to repay the debt). However, those assets are still subject to enforcement activities.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivable has been grouped based on shared credit risk characteristic and the days past due.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than one year, as credit impaired. However, due to the pandemic, exceptions have been granted to specified trade receivables, which is valued on case-by-case basis and subject to approval.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under IFRS 9 for trade receivables is summarised below: -

	Gross Amount £	ECL Provision £	Carrying Amount £
2024			
Current (not past due)	119,236	-	119,236
1 to 30 days past due	2,668	-	2,668
31 to 60 days past due	1,334	-	1,334
61 to 90 days past due	480	-	480
more than 90 days	34,760	-	34,760
	158,477	**-**	**158,477**

	Gross Amount £	ECL Provision £	Carrying Amount £
2023			
Current (not past due)	27,815	-	27,815
1 to 30 days past due	22,261	-	22,261
31 to 60 days past due	14,428	-	14,428
61 to 90 days past due	13,516	-	13,516
more than 90 days	64,580	-	64,580
	142,598	-	**142,598**

Deposit with a Licensed Bank and Bank Balances

The company considers the banks and financial institutions have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

Other receivables

The company applies the 3-stage general approach to measuring expected credit losses for other receivables. No expected credit loss is recognised on these balances as it is negligible.

c) Liquidity risk

Liquidity risk arises from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due The Group ensures it has adequate resource to discharge all its liabilities. The directors have considered the liquidity risk as part of their going concern assessment. (See note 2)

d) Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or if floating based on the rates at the end of the reporting period). The Group ensures it has adequate resource to discharge all its liabilities. The directors have considered the liquidity risk as part of their going concern assessment.

	Carrying Amount	Contractual Undiscounted cash flow	Within 1 year	More than 1 year
	£	£	£	£
2024				
Trade and other payables	73,858	73,858	73,858	-
Amount due to directors	4,159	4,159	4,159	-
Lease liabilities	50,258	50,258	17,176	33,082
	128,275	**128,275**	**95,193**	**33,082**
2023				
Trade and other payables	54,288	54,288	54,288	-
Amount due to directors	4,830	4,830	4,830	-
Lease liabilities	204,389	204,389	98,650	105,739
	263,507	**263,507**	**157,768**	**105,739**

Fair values

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

19. CAPITAL RISK MANAGEMENT POLICY

The Group defines capital as the total equity and debt of the Group. The objective of the Group's capital management is to safeguard and maintain the Group's ability to continue as a going concern in order to provide returns to and benefits for all stakeholders and to maintain an optimal capital structure to reduce the cost of capital and towards ensuring availability of funds in order to support its businesses and related shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions such as adjusting the amount of dividend payments or issuing new shares. The capital structure of the Group consists of the equity attributable to equity holders of the Group which comprises of issued share capital and reserves.

The Group monitors and maintains a prudent level of total debt to total equity ratio to optimise shareholders value and to ensure compliance with debt covenants and regulatory,

There was no change in the Group's approach to capital management during the financial year.

20. NET DEBT RECONCILIATION

The below table sets out an analysis of net debt and the movement in net debt for the years presented:

	As at 31-Mar-24 £	As at 31-Mar-23 £
Cash and cash equivalent	336,380	329,792
Lease liabilities	(50,258)	(204,389)
	286,122	125,403

21. RELATED PARTY TRANSACTIONS

Key management are considered to be the directors and the key management personnel compensation has been disclosed in note 15.

	As at 31-Mar-24 £	As at 31-Mar-23 £
Amount due to directors		
- Sayed Mustafa Ali	2,500	-
- Wong Chee Keong	1,659	1,830
- Michael Goh Seng Kim	-	3,000
	4,159	**4,830**
Amount due from directors		
- Wong Chee Keong	5,335	5,818
	5,335	**5,818**

The amount due to the related parties are interest-free and is payable on demand.

Sayed Mustafa Ali is a director in both, the Group and Orient Telecoms Sdn Bhd.

22. CONTROL

The directors consider there is no ultimate controlling party.

23. SUBSEQUENT EVENTS

There were no subsequent events after the reporting period.

ORIENT TELECOMS PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	Notes	As at 31-Mar-24 £	As at 31-Mar-23 £
ASSETS			
NON-CURRENT ASSETS			
Investment in subsidiary	4	672,129	620,127
CURRENT ASSETS			
Bank		159,913	70,787
Trade and other receivables	5	165,508	137,434
		325,421	208,221
TOTAL ASSETS		**997,550**	**828,348**
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		1,000,000	1,000,000
Accumulated loss		(61,578)	(197,541)
TOTAL EQUITY		938,422	802,459
CURRENT LIABILITIES			
Amount due to director		4,159	4,830
Trade and other payables	6	54,969	21,059
		59,128	25,889
TOTAL EQUITY AND LIABILITIES		**997,550**	**828,348**

The profit for the Company for the year ended 31 March 2024 was £135,963 (2023: £150,571).

The notes to the financial statements form an integral part of these financial statements.

This report was approved and authorised for issue by the Board of Directors on 31 July 2024 and signed on behalf by:

Sayed Mustafa Ali
Director

Registered number: 10028222

ORIENT TELECOMS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital £	Accumulated loss £	Total £
As at 1 April 2022	1,000,000	(348,112)	651,888
Profit for the year		150,571	150,571
Total comprehensive income for the year		150,571	150,571
As at 31 March 2023	1,000,000	(197,541)	802,459
Profit for the year		135,963	135,963
Total comprehensive income for the year		135,963	135,963
As at 31 March 2024	1,000,000	(61,578)	938,422

Share capital comprises the ordinary issued share capital of the Company.

Accumulated loss represents the aggregate retained earnings of the Company.

The notes to the financial statements form an integral part of these financial statements.

1. General information

The Company was incorporated in England and Wales on 26 February 2016, as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act. The registered office of the Group is at the offices of London Registrar, Suite A, 6 Honduras St, London EC1Y 0TH United Kingdom.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention. The financial statements have been prepared in accordance with FRS 101 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The principal accounting policies are described below.

The Company meets the definition of a qualifying entity under FRS 101 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a profit and loss account for the Company alone has not been presented.

Investment

Investments in subsidiaries are stated at cost less provision for impairment. Intercompany receivables are regarded as net investment which is subject to the impairment assessment whenever events or changes in circumstances indicate that the carrying value of these investment and intercompany receivables may not be recoverable.

Cash and cash equivalents

Cash in the statement of financial position is cash held on call with banks.

Financial assets

The directors classify the Company’s loan and receivable as financial assets held at amortised cost less provisions for impairment.

The directors determine the classification of its financial assets at initial recognition.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortised cost.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

3. Staff costs

The directors are regarded as the key management and their remunerations are disclosed in note 15 to the consolidated financial statements.

4. Investment in subsidiary

	Cost of investment	Loan to group undertaking	Total
	£	£	£
Balance as at 1 April 2022	93,801	497,883	591,684
Advance loan to group undertaking	-	28,443	28,443
Balance as at 31 Mar 2023	93,801	526,326	620,127
Addition	-	-	-
Advance loan to group undertaking	-	52,002	52,002
Balance as at 31 Mar 2024	93,801	578,328	672,129

The loan was advanced to the subsidiary to support and fund certain operational costs required in the business and there is no contractual obligation on the subsidiary to repay these loans. Judgment has been applied and classified the loan to group undertaking as part of the cost of investment in the subsidiary.

The company is required to assess the carrying value of the investment in subsidiary and loans to group undertaking for impairment. Recoverable value of these balances is dependent upon the subsidiary producing sufficient cash surplus such that the subsidiary achieves a positive net asset position.

The details of the subsidiary are set out in the note 14 to the consolidated financial statements.

5. Trade and other receivables

	As at 31-Mar-24 £	As at 31-Mar-23 £
Trade receivables	142,429	106,855
Other receivables	19,043	19,043
Prepayment	4,036	11,536
	165,508	137,434

6. Trade and other payables

	As at 31-Mar-24 £	As at 31-Mar-23 £
Amount due to directors	4,159	4,830
Trade creditors	6,030	-
Accruals	29,738	21,059
Other payables	180	-
Estimated tax payable	19,021	
	59,128	25,889

The detail of the related company is set out in the note 21 to the consolidated financial statements.

7. Share capital

The details are set out in the note 11 to the consolidated financial statements.