

MAYUR UNIQUOTERS SA PROPRIETARY LIMITED
(Registration number 2019/23926807)
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

Mayur Uniquoters SA Proprietary Limited

(Registration number: 2019/23926807)

Financial Statements for the period ended 31 March 2020

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Financial Statements for the period ended 31 March 2020

Director's Responsibilities and Approval

The director is required by the Companies Act of South Africa, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is his responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the period to 31 March 2021 and, in the light of this review and the current financial position, he is satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 3.

The financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the director on 15 March 2021 and were signed on its behalf by:

Approval of financial statements



Arun Kumar Bagaria

Independent Auditor's Report

To the Shareholder of Mayur Uniquoters SA Proprietary Limited

Opinion

We have audited the financial statements of Mayur Uniquoters SA Proprietary Limited (the company) set out on pages 6 to 13, which comprise the statement of financial position as at 31 March 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mayur Uniquoters SA Proprietary Limited as at 31 March 2020, and its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The director is responsible for the other information. The other information comprises the information included in the document titled "Mayur Uniquoters SA Proprietary Limited financial statements for the period ended 31 March 2020", which includes the Director's Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 14 to 16. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Director for the Financial Statements

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

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

UHY Hellmann (SA)
Chimanlal Parbhoo-Kanjee
Registered Auditors
Johannesburg

16 March 2021

Mayur Uniquoters SA Proprietary Limited

(Registration number: 2019/23926807)

Financial Statements for the period ended 31 March 2020

Director's Report

The director has pleasure in submitting his report on the financial statements of Mayur Uniquoters SA Proprietary Limited for the period ended 31 March 2020.

1. Incorporation

The company was incorporated on 16 May 2019 and obtained its certificate to commence business on the same day.

2. Nature of business

Mayur Uniquoters SA Proprietary Limited was incorporated in South Africa with interests in the manufacturing of artificial leather. The company has a global footprint in Africa, Europe, Asia and North America.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently during the period.

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

4. Share capital

The company was incorporated with an authorised issued share capital of 100 000 ordinary no par value shares of which 10 000 ordinary no par value shares have been issued at R 10 000.

5. Dividends

The director does not recommend the declaration of a dividend for the period.

6. Director

The director in office at the date of this report are as follows:

Director	Office	Designation	Nationality	Changes
Arun Kumar Bagaria	Chairperson	Executive	Indian	Appointed 16 May 2019

7. Holding company

The company's holding company is Mayur Uniquoters Limited which holds 100% (2019 -%) of the company's equity. Mayur Uniquoters Limited is incorporated in India.

8. Events after the reporting period

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

9. Going concern

The director believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The director has satisfied himself that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The director is not aware of any new material changes that may adversely impact the company. The director is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Auditors

UHY Hellmann (SA) were appointed as auditors for the company for 2020.

Mayur Uniquoters SA Proprietary Limited

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Financial Statements for the period ended 31 March 2020

Statement of Financial Position as at 31 March 2020

Figures in Rand	Notes	31 March 2020
Assets		
Current Assets		
Trade and other receivables	2	108 210
Cash and cash equivalents	3	8 786
		<u>116 996</u>
Total Assets		<u>116 996</u>
Equity and Liabilities		
Equity		
Share capital	4	10 000
Retained income		3 379
		<u>13 379</u>
Liabilities		
Current Liabilities		
Trade and other payables	5	99 931
Current tax payable		3 686
		<u>103 617</u>
Total Equity and Liabilities		<u>116 996</u>

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Statement of Comprehensive Income

Figures in Rand	Notes	11 months ended 31 March 2020
Revenue		94 096
Cost of sales		(67 625)
Gross profit		26 471
Operating expenses		(19 406)
Operating profit		7 065
Profit before taxation		7 065
Taxation	6	(3 686)
Total comprehensive income for the period		3 379

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Financial Statements for the period ended 31 March 2020

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Total comprehensive income for the period	-	3 379	3 379
Issue of shares	10 000	-	10 000
Total changes	10 000	-	10 000

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Statement of Cash Flows

Figures in Rand	Note	11 months ended 31 March 2020
Cash flows from operating activities		
Cash used in operations	7	<u>(1 214)</u>
Cash flows from financing activities		
Proceeds on share issue	4	<u>10 000</u>
Total cash movement for the period		<u>8 786</u>
Total cash at end of the period	3	<u>8 786</u>

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.2 Tax

Current tax assets and liabilities

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

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

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Financial Statements for the period ended 31 March 2020

Accounting Policies

1.2 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

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

1.3 Provisions and contingencies

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

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

Provisions are not recognised for future operating losses.

1.4 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.5 Foreign exchange

Foreign currency transactions

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

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

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Financial Statements for the period ended 31 March 2020

Notes to the Financial Statements

Figures in Rand	11 months ended 31 March 2020
2. Trade and other receivables	
Trade receivables	108 210
3. Cash and cash equivalents	
Cash and cash equivalents consist of:	
Bank balances	8 786
4. Share capital	
Authorised	
100 000 Ordinary no par value shares of R 1 each	100 000
Issued	
10 000 Ordinary no par value shares of R 1 each	10 000
5. Trade and other payables	
Trade payables	88 727
Value added taxation	11 204
	99 931
6. Taxation	
Major components of the tax expense	
Current taxation	
South African normal tax - period	3 686
Reconciliation of the tax expense	
Reconciliation between accounting profit and tax expense.	
Accounting profit	7 065
Tax at the applicable tax rate of 28%	1 978
Non-deductible expenses	
Non-deductible expense	1 708
	3 686
7. Cash used in operations	
Profit before taxation	7 065
Changes in working capital:	
Trade and other receivables	(108 210)
Trade and other payables	99 931
	(1 214)

Mayur Uniquoters SA Proprietary Limited

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Financial Statements for the period ended 31 March 2020

Notes to the Financial Statements

Figures in Rand	11 months ended 31 March 2020
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8. Related parties

Relationships
Holding company Mayur Uniquoters Limited

Related party balances and transactions with other related parties

Related party balances

Amounts included in Trade Payables regarding related parties
Mayur Uniquoters Limited (67 625)

Related party transactions

Purchases from related parties
Mayur Uniquoters Limited 67 625

9. Comparative figures

No comparative figures have been presented as these are the first financial statements of the company.

Mayur Uniquoters SA Proprietary Limited

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Detailed Income Statement

Figures in Rand	Note	11 months ended 31 March 2020
Revenue		
Sale of goods		94 096
Cost of sales		
Purchases		(67 625)
Gross profit		26 471
Expenses (Refer to page 15)		(19 406)
Profit before taxation		7 065
Taxation	6	(3 686)
Total comprehensive income for the period		3 379

Mayur Uniquoters SA Proprietary Limited

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Financial Statements for the period ended 31 March 2020

Detailed Income Statement

Figures in Rand	Note	11 months ended 31 March 2020
Operating expenses		
Bank charges		1 056
Company formation cost		6 100
Secretarial fees		12 250
		19 406

Mayur Uniquoters SA Proprietary Limited

(Taxpayer reference number 9088718243)

(Registration number: 2019/23926807)

Financial Statements for the period ended 31 March 2020

Tax Computation

Figures in Rand	2020
Net profit per income statement	7 065
Permanent differences (Non-deductible/Non taxable items)	
Other non-deductible amounts debited to the income statement	6 100
Taxable income for 2020	13 165
Tax thereon @ 28% in the Rand	3 686