

MCB Factors Ltd
Annual Reports

Year ended June 30, 2026

MCB FACTORS LTD

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REPORT OF THE DIRECTORS – YEAR ENDED JUNE 30, 2026

The Directors have the pleasure in submitting the Annual Report of MCB Factors Ltd ("MCB Factors" or "the Company") together with the audited financial statements for the year ended June 30, 2026.

Signed for and on behalf of the Board of Directors:

Chairperson

Managing Director

Date: October 13, 2026

MCB FACTORS LIMITED

SECRETARY CERTIFICATE – YEAR ENDED JUNE 30, 2026

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritian Companies Act 2001.

SECRETARY
MCB GROUP CORPORATE SERVICES LTD

Date: October 13, 2026

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Mauritian Financial Reporting Act)

Name of Public Interest Entity ('the PIE'): MCB Factors Ltd

Reporting Period: July 1, 2025 — June 30, 2026

We, the Directors of MCB Factors Ltd, confirm to the best of our knowledge that, MCB Factors Ltd has complied with all the provisions of the National Code of Corporate Governance for Mauritius (2016).

Signed for and on behalf of the Board of Directors:

Chairperson

Managing Director

Date: October 13, 2026

STATEMENT OF COMPLIANCE BY THE BOARD

The Company is committed to upholding high standards of business integrity, transparency and professionalism across all its activities. It ensures that its operations are conducted ethically and responsibly, with a view to creating sustainable value for all stakeholders. As part of this commitment, the Board endorses and remains fully committed to complying with the Code of Corporate Governance.

Throughout the year ended June 30, 2026 to the best of the Board's knowledge, the Company has complied with all the provisions of the National Code of Corporate Governance for Mauritius (2016).

The requirements of the Corporate Governance Code for Mauritius are regularly reviewed by the Board to ensure compliance by the Company.

The Company is a public interest entity, as defined by law.

1. GOVERNANCE STRUCTURE

1.1. Conduct of affairs

The Board's objective is to establish the Company's purpose, strategy, and values, and to provide guidance on all matters related to policies, practices, management, and operations.

The Board has adopted a Charter that outlines its objectives, roles, responsibilities, and composition. The Charter is reviewed regularly by the Board and is available for consultation on the Company's website.

1.2. Code of Ethics and Business Conduct

The Company is committed to upholding the highest standards of integrity and ethical conduct in its dealings with all stakeholders. MCB Group Ltd ("MCB Group" or "the Group"), the Company's ultimate holding company, has adopted a Code of Ethics and Business Conduct ("Code of Ethics") applicable to all its subsidiaries, employees and directors.

The Board of Directors of the Company has adopted the Code of Ethics, which is published on the Company's website. The Group promotes a culture of ethical and responsible decision-making across the organisation through group-wide awareness of its principles and standards of conduct.

The Code of Ethics is reviewed regularly at MCB Group level, with compliance monitored at both Company and Group levels.

1.3. Statement of Accountabilities

The Directors have approved the following Statement of Accountabilities:

- The Board assumes the responsibility for leading and controlling the Company and meeting all legal and regulatory requirements. Directors are aware of their legal duties.
- The Board is accountable for the performance and affairs of the Company and for achieving sustainable growth.
- The Board is responsible for ensuring that the Company adheres to high standards of ethical behaviour and acts in the best interest of shareholders.
- The Board has the responsibility of reviewing and approving the financial statements of the Company.

Additionally, the Board Charter and the Position Statements, which have been approved by the Board, provide for a clear definition of the roles and responsibilities of the Chairperson, the Directors and the Company Secretary.

Key roles and responsibilities

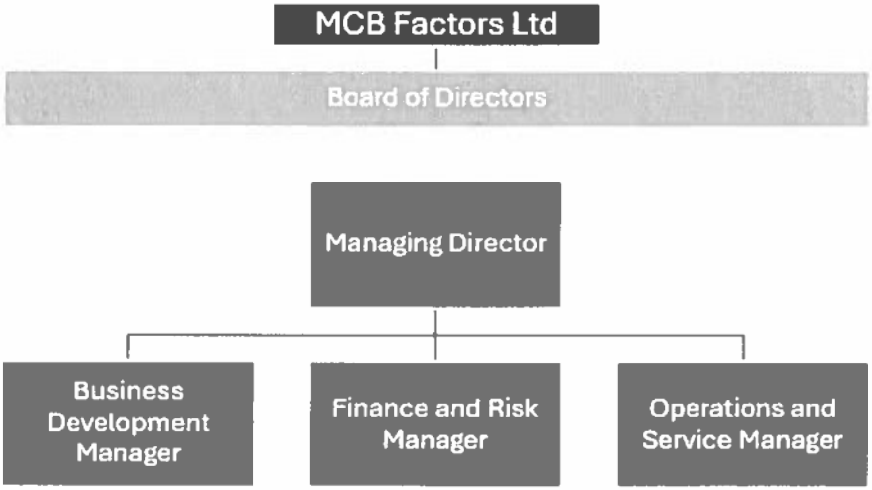
Chairperson	• Provides overall leadership to the Board • Ensures that the Board is effective in its tasks of setting and implementing the Company's direction and strategy • Presides and conducts board meetings effectively • Provides support and supervision to the Managing Director • Ensures that directors receive accurate, timely and clear information • Ensures that development needs of the directors are identified and that appropriate training is provided to continuously update the skills and knowledge of the directors • Maintains sound relations and ensure effective communication with Shareholders
Directors	• Establish strategic objectives and corporate values • Analyse and monitor performance of Management against agreed objectives • Ensure that financial information released to the market and the Shareholder is accurate • Ensure that the Company has adequate and proper financial controls and systems of risk management in place • Actively participate in Board decision-making and constructively challenge, if necessary, proposals presented by Management • Provide specialist knowledge and experience to the Board • Remain permanently bound by fiduciary duties of care and skill
Managing Director	• Manages the day-to-day operations of the Company • Leads the elaboration and execution of the long term strategy of the Company • Maintains good relationships with clients and ensures clients' satisfaction • Identifies and monitors material risks that may affect the business • Advises and informs members of the Board on significant matters to facilitate decision-making • Monitors the operational and financial performance of the Company • Builds the team by empowering, monitoring & managing performance of employees in order to maximise existing talents and develop new capabilities

Company Secretary	• Ensures compliance with all relevant statutory and regulatory requirements • Provides the Board as a whole and directors individually with guidance as to their roles and responsibilities • Assists the Chairperson in governance processes such as Board and Committee evaluation • Prepares and circulates agendas for meetings and drafts minutes and ensures follow ups • Ensures that the Shareholder's interests are taken care of and acts as primary point of contact

1.4. Organisation Chart

The Organisation Chart sets out the Company's structure and reporting lines. It is reviewed regularly to assess business needs, ensure the structure remains appropriate and enhance overall effectiveness. It is also published on the Company's website.

As at 30 June 2026, the Organisation Chart of the Company, as approved by the Board, was as follows:



2. THE STRUCTURE OF THE BOARD

2.1. Board Size

The Board is a unitary board that currently consists of 5 directors. Taking into consideration the size of the Company and the scope and nature of its operations, the Board is of the opinion that the current number of directors is adequate for the smooth running of the Company and for enabling effective decision-making. Given the scale of the Company's operations, the Board also considers that one executive director is sufficient for the effective management of the Company.

The composition of the Board during the year is shown below.

NAME	GENDER	COUNTRY OF RESIDENCE	BOARD APPOINTMENT
Jean-Philippe Coulier	M	Mauritius	Independent Director, Chairperson
Jenifer Chung Wong Tsang	F	Mauritius	Independent Director
Jean-Mée Ernest (up to December 2025)	M	Mauritius	Executive Director
Michael Lising	M	Mauritius	Independent Director
Dominic Provençal	M	Mauritius	Non-Executive Director
Sapna Sewraj-Shah (as from July 2025)	F	Mauritius	Executive Director

2.2. Board Composition

The Board regularly reviews its size and composition to ensure that there is an appropriate balance of expertise, skills and experience amongst its members. All members of the Board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company and to protect the interests of Shareholders, clients and other stakeholders.

Mr Michael Lising is also a Director of MCB Group Ltd. Directors do not exercise executive or controlling powers, and no potential conflict of interest is expected to arise in the performance of their duties. Accordingly, any judgement and decision relating to MCB Factors is made independently, professionally and in the best interests of the Company. Moreover, the Company is a fully owned subsidiary of MCB Group Ltd which has independent directors on its Board.

2.3. Directors' Profile

Jean-Philippe Coulier, Independent Director and Chairperson

Holder of a Diplôme d'Études Supérieures en Droit' and 'Diplôme de l'Institut d'Études Politiques de Paris' (France). During his career, Jean-Philippe has accumulated extensive experience in the banking sector, having worked for the Société Générale Group for some 40 years. Over this period, he has assumed a range of high-level responsibilities within the group, acting as Director, Chief Operating Officer and Chief Executive Officer in its various offices based worldwide. Before his retirement from Société Générale in early 2013, he was the Vice Chairman and Managing Director of the National Société Générale Bank in Cairo, Egypt. He was a Board member of The Mauritius Commercial Bank Limited from 2012 to 2018 and was appointed Chairperson thereof as from 2014. In 2018, he was appointed director and Chairperson of Promotion and Development Ltd and Caudan Development Ltd. He is also a director of Fincorp Investment Ltd, Constance Hotel Services Ltd, and MCB Microfinance Ltd.

Directorship in listed companies : Fincorp Investment Limited, Promotion and Development Ltd, Constance Hotel Services Ltd.

Jenifer Chung Wong Tsang, Independent Director

Fellow member and a Business & Finance Professional (BFP) of the Institute of Chartered Accountants in England & Wales (ICAEW), Jenifer has over 20 years of experience in audit and tax spanning over numerous sectors including hospitality, financial services, oil & gas, telecommunications, mining, real estate and manufacturing. She started her career in the UK, having worked predominantly for PwC LLP, before returning to Mauritius in 2013 where she worked for PwC Mauritius for a few years. Jenifer is an independent business and tax adviser, and the founding director of a boutique corporate service provider of secretarial services to domestic companies, including corporate governance accompaniment. She sits as an independent non-executive director on the boards of Lux Island Resorts Ltd and of a leading local offshore management company. She is also the Chairperson of the Audit and Risk Committee of Lux Island Resorts Ltd since her appointment in November 2021.

Directorship in listed companies : Lux Island Resorts Ltd

Michael Lising, Independent Director

A Chartered Accountant from the Institute of Chartered Accountants in England and Wales (ICAEW), Michael also holds a First class honours in Accounting and Financial Analysis (BSC Hons) from the University of Warwick. Michael has a long experience in the retail industry. He currently heads the Lising Group and occupies the position of Managing Director. Prior to joining the Lising Group, Michael has worked for Ernst & Young (UK) and De Chazal du Mee & Co. where he was responsible for various consultancy projects and conducted assignments for the World Bank in Rwanda, Tanzania, Madagascar and Burkina Faso. He previously sat on the Council of the University of Mauritius and was in the Executive Committee of Young Presidents Organisation. He is also a director of MCB Group Ltd.

Directorship in listed companies: MCB Group Ltd

Sapna Sewraj-Shah, Executive Director

Holder of an MBA from Cardiff Business School, a Bachelor of Commerce (Honours) and a professional accreditation as a Stockbroker, Sapna is a seasoned banking professional with over 25 years of experience in banking and financial services. Throughout her career, she has held several senior leadership roles spanning Human Resources and Corporate Banking. From 2019 to June 2025, she served as People Strategy Partner, where she played a key role in driving organisational transformation, shaping people strategies, and leading cross-functional initiatives across multiple business units. Prior to this role, Sapna was a Senior Relationship Manager in Corporate Banking, managing a substantial credit portfolio with a particular focus on structured finance and trade finance solutions. She was also an active member of various credit committees, contributing to credit decision-making, risk assessment, and portfolio management. On 1 July 2025, Sapna was appointed Managing Director (Designate) of MCB Factors Ltd, before assuming the role of Managing Director on 1 January 2026. She currently leads the strategic direction of the company, driving growth and the expansion of factoring solutions as part of MCB Group's broader working capital offering.

Mr. Dominic Provençal, Non-Executive Director

Dominic is a Chartered Global Management Accountant (CGMA/CIMA) and holds a Global Executive MBA from Alliance Manchester Business School, University of Manchester. He is a seasoned banking executive with more than 25 years of experience across retail, business and private banking. His current focus is on growing the Group's regional presence in Seychelles, Madagascar, Maldives and leading the domestic para-banking activities.

Throughout his career, Dominic has demonstrated strong leadership, entrepreneurial vision and strategic thinking. He has led numerous initiatives aimed at enhancing customer experience, developing innovative products and services, strengthening commercial performance and building high-performing teams. His broad experience across multiple banking segments gives him a deep understanding of customer needs and market dynamics. As part of his current role, he sits on the board of a few Group entities.

2.4. Attendance at Board meetings during financial year 2025/2026

Board and Committee meetings are held at least 4 times a year. Additional meetings may be convened when required. Details of attendance are shown below:

NAME	NO. OF BOARD MEETINGS
Number of meetings held	**4**
Jean-Philippe Coulier	4/4
Jenifer Chung Wong Tsang	4/4
Jean-Mée Ernest (up to December 2025)	1/1
Michael Lising	4/4
Dominic Provençal	4/4
Sapna Sewraj-Shah	4/4

2.5. Company Secretary

MCB Group Corporate Services Ltd acts as Company Secretary to the Company. The Company Secretary has 4 qualified Chartered Secretaries with more than 20 years of experience each. The Company Secretary also acts as Secretary to the Committees of the Board. Profiles of the representatives of the Company Secretary may be viewed on the website of the Company.

2.6. Committees of the Board

The Audit Committee currently comprises 3 members, namely Mr Michael Lising, the Chairperson, Ms Jenifer Chung Wong Tsang and Mr Dominic Provençal.

The Audit Committee Charter sets out the Committee's terms of reference and is available on the Company's website. The main roles of the Audit Committee are:

- to monitor the integrity of the audited financial statements of the Company;
- to monitor and review the effectiveness of the Internal Audit;
- to monitor the external auditor's independence, objectivity and effectiveness and make recommendations to the Board on the appointment and retention of external auditor.
- to monitor and review the effectiveness of internal control systems.
- to review and develop ethical standards, identify violations, and ensure compliance with laws and regulations.

Attendance at Audit Committee meetings during financial year 2025/2026:

NAME	NO. OF AUDIT COMMITTEE MEETINGS
Number of meetings held	2
Jenifer Chung Wong Tsang	2/2
Michael Lising	2/2
Dominic Provençal	2/2

3. DIRECTOR APPOINTMENT PROCEDURES

3.1. Appointment Process

The Board of directors may at any time appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors up to a maximum number permitted by the Constitution of the Company, subject to approval being obtained from regulatory bodies. The appointed director then remains in office until the next Annual Meeting of Shareholders where the director shall be eligible for election.

The nomination and appointment processes are carried out in collaboration with the Corporate Governance and Sustainability Committee (CGSC) of MCB Group Ltd, the holding Company of MCB Factors Ltd. Once the Board has reviewed and is satisfied with the profile of the candidates, the Board shall request the approval of the regulatory authorities.

3.2. Time commitment

Each Director is expected to devote sufficient time and attention to the affairs of the Company. The Board of Directors does not believe that its members should be prohibited from serving on boards of other organisations unless the number of directorships limits the amount of time they are able to dedicate to being a Director of the Company. The Company anticipates a time commitment of around 10 days per year. This will include attendance at Board meetings, the Annual Meeting of Shareholders, the annual budget and strategy Board meetings, meetings as part of the Board evaluation process as well as attending trainings and development programmes. There is always the possibility of additional time commitment in respect of ad hoc matters that may arise from time to time, particularly when the Company is undergoing a period of increased activity.

The external obligations of the Chairperson have not changed materially during the Financial Year 2025/2026, and those obligations have in no way hindered the discharge of the duties and responsibilities.

3.3. Induction of new Directors

Upon appointment, the Company provides a comprehensive, formal and tailored induction to the new directors. The newly appointed directors receive an induction pack which includes a set of the Company's governing documents. An introductory meeting is organised with the Managing Director to explain the business activities of the Company and its governing policies.

The Chairperson, the Managing Director as well as the Company Secretary are readily available to answer any further queries that the newly appointed directors may have with respect to the Company.

The induction programme meets the specific needs of the Company as well as those of the newly appointed directors and enables the latter to participate actively in Board discussions.

3.4. Professional Development

Directors are encouraged to keep themselves up to date with the professional practices and industry-related developments. The Chairperson regularly reviews and comes to an agreement with each director, if necessary, on his or her training and development needs. Upon request from the directors, the Company shall provide the necessary resources for developing and updating the skills and knowledge of the directors so that they fulfill their role on the Board and its committees.

During the year, Directors completed online information security awareness training aimed at enhancing their understanding of cyber risks, data protection and security best practices. The training reinforced the importance of safeguarding information assets and supporting a strong culture of security and risk awareness across the Group.

3.5. Succession planning

The Board believes that good succession planning contributes to the delivery of the Company's strategy.

MCB Group Ltd is one of Mauritius' largest group of companies with a large pool of staff possessing different skills, academic and professional qualifications and expertise in various fields of business. The Group creates opportunities to develop leaders by recognizing and nurturing talents within the executive and management levels across the Group.

The Chairperson of the Board is responsible for overseeing succession planning for the Board and the Managing Director in collaboration with the CGSC of MCB Group Ltd, the Company's holding Company.

4. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

4.1. Legal duties of Directors

The directors are aware of their legal duties and are responsible for ensuring that the activities of the Company are managed ethically and responsibly, in line with relevant laws and regulations. The directors exercise the required standard degree of care, skill and diligence which a reasonable prudent and competent director in his or her position would exercise.

4.2. Register of Interests

The Company Secretary maintains a Register of Interests that is regularly updated with the information submitted by the directors. The Register is available for consultation by the Shareholder upon written request to the Company Secretary.

4.3. Whistleblowing Policy

MCB Group Ltd has adopted a Whistleblowing Policy applicable to all its subsidiaries, employees and directors. The policy provides a channel for employees and other stakeholders to raise, in good faith, concerns regarding potential breaches of laws, rules, regulations or compliance requirements. The whistleblowing mechanism encourages employees and other concerned parties to act responsibly to uphold the Group's reputation. The policy is published on the Company's website.

4.4. Conflicts of Interest & Related Party Transactions Policy

MCB Group Ltd, the holding Company, has adopted a Conflicts of Interest & Related Party Transactions Policy which is applicable to all its subsidiaries. The objective of this policy is to define the scope of conflicts of interest and related party transactions and to set out prudent rules and limits for granting credit to related parties.

This policy is published on the website of the Company.

4.5. Related Party Transactions

For Related Party Transactions, please refer to note 19 of the financial statements.

4.6. Information, Information Technology and Information Security Governance Policy

The Board oversees information governance within the organisation. The Information, Information Technology and Information Security Governance Policy of the MCB Group applies to all the subsidiaries of the Group. All policies relating to information security are made accessible to all the employees of the Group without restriction via its intranet system. Appropriate governance arrangements are in place whereby the Information Technology ("IT") function and function responsible for monitoring adherence to Information Risk and IT are kept separate. The Information Technology activities are outsourced to The Mauritius Commercial Bank Limited through a Service Level Agreement.

The Information, Information Technology and Information Security Governance Policy, which has been approved by the Board, is published on the website of the Company.

4.7. Board Evaluation

The Board acknowledges the need to regularly review its performance and effectiveness. A Board evaluation was carried out in July 2024 and the review established that the Directors consider the Board to be effective with an appropriate mix of expertise, skills and competence.

The evaluation was carried out by means of a questionnaire that was filled in by each Director. The questionnaire covered the following areas:

- The Structure of the Board
- Board Efficiency and Effectiveness
- Strategy and Performance
- Risk Management and Governance
- Board Members self-evaluation
- Chairperson's evaluation by Board Members

Additionally, individual meetings with the Chairperson might be organised if required. The results of the questionnaire are analysed and an action plan implemented where necessary.

The Board has decided that the board evaluation exercise will be carried out every 3 years. As such, the next exercise will be held in 2027.

4.8. Statement of Remuneration Philosophy

The CGSC of MCB Group Ltd is responsible for the setting up of and developing the Group's general policy concerning the remuneration of directors. MCB Group Ltd lays significant emphasis on appointing the right people with the right skills and behaviours whilst rewarding them adequately in line with market practices.

The Company applies the same remuneration philosophy as its ultimate holding Company, MCB Group Ltd, which consists of:

- a monthly basic retainer for membership of the Board;
- an attendance fee per sitting of the Board and Committee;
- the Chairpersons of the Board and Committee, having wider responsibilities should have consequential remuneration;
- no share option or bonus should be granted to non-executive directors.

The remuneration philosophy for executives is based on meritocracy and opportunity is given to employees to benefit from the financial results of the Company. Indeed, executives receive an annual bonus based on the performance of the Company as well as an assessment of their contributions thereto.

4.9. Directors' Remuneration

The non-executive directors who are already in executive positions within the MCB Group do not receive additional remuneration as Board members, in line with the Group's policy.

Amount paid to directors during the year ended June 30, 2026 is as follows :

Non-Executive	**Rs 000'**
Ms Jenifer Chung Wong Tsang	141
Mr Jean-Philippe Coulier	197
Mr Michael Lising	155
Mr Dominic Provençal	-
	492
Executive	
Mr Jean-Mée Ernest (up to December 2025)	3,642
Mrs Sapna Sewraj-Shah	7,126
	11,260

Non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

Remuneration of the directors is reviewed on an annual basis and the Board is of the opinion that the level and form of remuneration are adequate.

4.10. Share Option Plan

The employees of the Company are entitled to the MCB Group Employee Share Option Scheme which provides them with the opportunity to partake in the growth and prosperity of the Group through the acquisition of a stake therein.

5. RISK GOVERNANCE AND INTERNAL CONTROL

Risk Governance

The Board, supported by the Audit Committee, ensures that appropriate structures, processes and procedures are in place to identify, assess and monitor the risks arising from the Company's day-to-day operations. These arrangements form part of the Company's overall risk governance framework and support compliance with applicable laws, regulations and codes of business practice. Internal Audit, MCB Group Risk and MCB Group Compliance report regularly to the Audit Committee.

Management is responsible for designing, implementing and maintaining the risk management process, as well as managing the Company's significant business risks on a day-to-day basis. These include physical, operational, human resources, business continuity, financial, credit, market, compliance and reputational risks.

The key risks which have been identified in relation to the Company are operational, information and financial risks. For financial risks, refer to note 3 of the financial statements.

RISKS IDENTIFIED

Operational Risk

The risk of loss or costs resulting from human factors, inadequate or failed internal processes and systems or external events. It includes fraud and criminal activity, project risk, business continuity, information and IT risk, etc.

Management reviews the assessments and reports on operational risk against the risk tolerances approved by the Board and ensures that the Company's Business Continuity Plan is up-to-date. Four-eyes principle are applicable to all operational processes and regular internal audit inspections are performed by the Internal Audit Business Unit of The Mauritius Commercial Bank Limited.

Moreover, the reports of the external auditor of the Company also provide to the board of directors valuable information on risk related issues independently from reports received from the Company's management.

5.1. Internal Control

The Company's internal control framework seeks to ensure the reliability of financial reporting, operations and systems whilst guaranteeing compliance with internal established policies and procedures as well as with laws, regulations, and codes of business practice in order to protect the Company's assets and reputation. The Board oversees the effectiveness of the Company's internal control systems. Processes are in place to monitor the effectiveness of internal control, identify and report any significant issues, and ensure that timely and appropriate corrective actions are taken.

The Company's internal control framework is also supported by Permanent Supervision function of the Group, which provides ongoing monitoring of key controls and operational processes. It supports Management in ensuring that any control weaknesses are identified, followed up and addressed in a timely manner.

5.2. Integration of internal control and risk management

The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Company's business objectives will be achieved within the risk tolerance levels defined by the Board. The effectiveness of the internal control systems (including financial, operational, compliance and risk management) is normally reviewed by the Audit Committee of the Company and the Audit Committee of MCB Group Ltd.

5.3. Assurance on the effectiveness of the risk management process

Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of board assurance.

6. REPORTING WITH INTEGRITY

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

The directors are also responsible for ensuring that the financial statements present a fair statement of the affairs of the Company and have been prepared in compliance with International Financial Reporting Standards.

6.1. Organisational overview

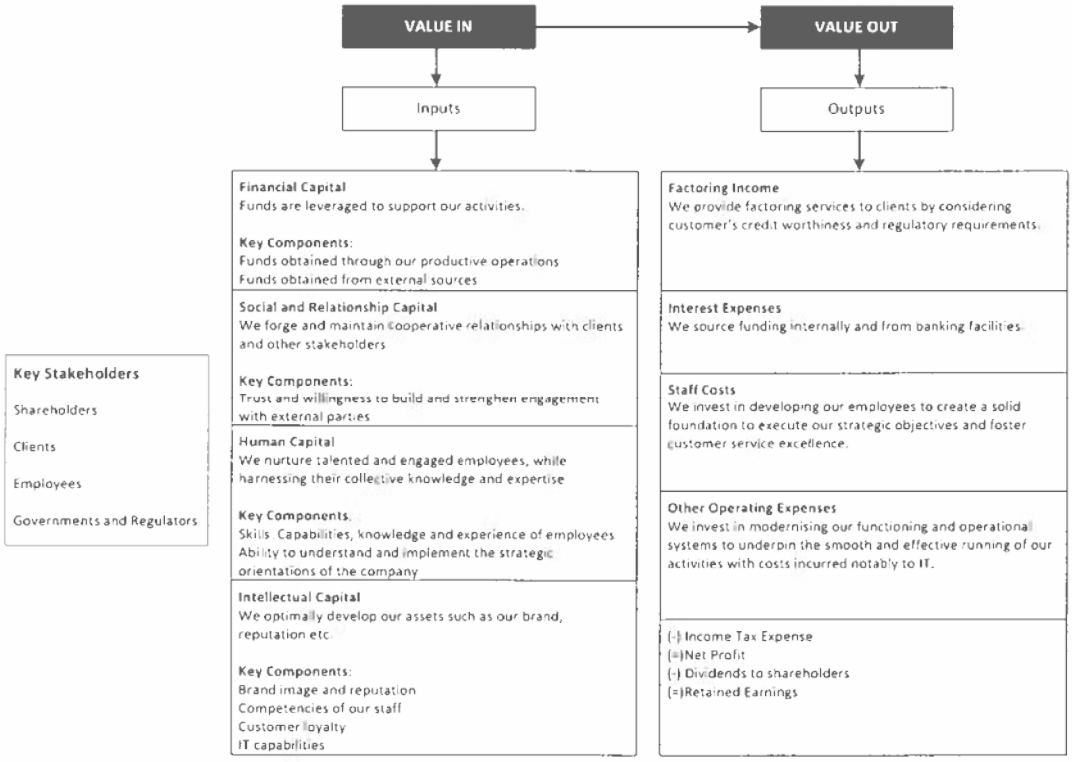
Founded in 2005, the Company is licensed by the Financial Services Commission. The Company, which is a wholly owned subsidiary of MCB Group Ltd, provides Recourse, Non-Recourse and International factoring services. The Company has been serving businesses of all sizes and has a rich experience as well as an unparalleled knowledge of the local market.

Currently the Company has a team consisting of 21 dedicated professionals, managing more than 300,000 invoices per year and following up on more than 5,000 debtor accounts.

6.2. Overview of the external environment

The Company has invested in state-of-the-art technology to sustain its growth and better support and service its customers and new IT systems have been deployed for the benefit of customers who can access their data online.

6.3. Business model



6.4. Key performance indicators, performance and outlook

During the year under review, the company showed a growth of 18% in operating income on account of an increase in the volume of assignments. Operating expenses, on the other side rose by 9% mainly due to increase in staff costs.

Based on its strategies for the forthcoming year, the Company is expecting a 6% increase in its business operations.

6.5. Sustainable development

The Company is focused on reinforcing its resources (human capital, technological development and processes) so as to enable the Company to better meet the demands of its customers, face the challenges of its competitors and to adapt to the market changes.

6.6. Political and Charitable Donations

No donations were made by the Company during the period under review.

6.7. Health and environment safety

The Company applies social, safety, health and environmental policies and practices of the MCB Group that in all material respects comply with existing legislative and regulatory frameworks as applicable.

6.8. Documents available on the website

The Board of Directors is pleased to announce that the following documents which have been approved by the Board can be viewed on the website of the Company:

- The Annual Report of the Company including the financial statements
- The Constitution
- The Board Charter
- The Audit Committee Charter
- The Position Statements
- The Appointment process of Non-Executive Directors
- The terms and conditions of appointment of Non-Executive Directors
- The Conflicts of Interest & Related Party Transactions Policy
- The Statement of accountabilities
- The Organisation Chart
- The Code of Ethics and Business Conduct
- The Whistleblowing Policy
- The Information, Information Technology and Information Security Governance Policy
- The Internal Audit Function

7. AUDIT

7.1. Internal Audit

The Internal Audit function is outsourced to the Internal Audit Strategic Business Unit ("IA SBU") of The Mauritius Commercial Bank Limited ("MCB Ltd") through a Service Level Agreement.

The Head of Internal Audit of MCB Ltd is independent of the Executive Management of the Company. The Head of Internal Audit reports to the Audit Committee of the Company as well as to the Audit Committee of MCB Group Ltd. As such, through the internal control in place, the audit reports and the reviews by Management, the Board gains assurance that the Company's internal control systems are adequate and effective.

The IA SBU ensures that the quality of internal audit services provided to MCB Factors Ltd remains aligned with internationally recognised professional standards and leading practices. IA SBU adopts a systematic, disciplined and risk-based approach, leveraging focused audit programmes, data analytics and computer-assisted audit techniques to evaluate and enhance the effectiveness of the Company's governance, risk management and internal control processes. In accordance with the requirements of the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA), an external quality assessment of the internal audit activity is required to be conducted at least once every five years. The latest external quality assessment was performed in 2023 by an internationally recognised auditing firm, which concluded that the IA SBU was in conformance with the International Standards for the Professional Practice of Internal Audit (IPPF Standards) that were in force at the time. In addition, the IA SBU is currently undergoing an independent assessment by the Institut Français de l'Audit et du Contrôle Internes (IFACI), an organisation affiliated with the IIA, as part of its continuous improvement journey, with a view to obtain the IFACI Quality Certification, which provides independent recognition of the function's conformance with the Global Internal Audit Standards (GIAS).

There are no restrictions placed on the internal auditors in conducting their audit exercises.

7.1.1. Standard Audit

The internal audit exercise carried out during FY 2026 covering the period from 01 January 2025 to 28 February 2026 focused on evaluating whether MCB Factors Ltd's risk management, control environment, and compliance processes are aligned with regulatory expectations and also sufficiently resilient to emerging ML/TF threats, thereby safeguarding the institution's integrity, reputation, and regulatory standing.

Scope of Review

The audit covered key governance, operational, financial, compliance and information technology activities of the Company. The review encompassed the assessment of governance arrangements, risk management practices, internal controls, regulatory compliance and selected support functions, together with follow-up of matters arising from previous assurance reviews where applicable.

7.1.2. AML/CFT Audit

The AML/CFT audit focused on assessing the adequacy and effectiveness of the Company's framework for managing money laundering and terrorist financing risks in accordance with applicable regulatory requirements and industry standards.

Scope of Review

The review covered the AML/CFT governance framework, risk assessment methodologies, customer due diligence procedures, ongoing monitoring processes, sanctions screening controls, suspicious transaction reporting arrangements, record-keeping requirements, employee screening measures and AML/CFT training programmes.

7.2. External Auditor

The Audit Committee of MCB Group Ltd ("Audit Committee") reviews the appointment of the External Auditor for all the subsidiaries of the Group on a yearly basis and makes recommendations to the Board.

The Audit Committee has the responsibility to evaluate the performance of the External Auditor against set criteria and review the integrity, independence and objectivity of the External Auditor by:

- Confirming that the External Auditor is independent from the Company
- Considering whether the relationships that may exist between the Company and the External Auditor impair the External Auditor's judgement

Although the External Auditor may provide non-audit services to the Company, the objectivity and independence of the External Auditor is safeguarded through restrictions on the provisions of these services such as:

- where the External Auditor may be required to audit its own work, or
- where the External Auditor participates in activities that should normally be undertaken by Management.

The performance of the External Auditor is evaluated by both the Audit Committees of the Company and MCB Group Ltd and recommendations are made to the board. Upon recommendations from the Audit Committees, the Board of MCB Factors will recommend the appointment of External Auditor to the Shareholder in the Annual Meeting of Shareholders for approval by way of an ordinary resolution.

7.3. External Auditor's Fees

The fees for audit services were Rs. 331,000 (2025 – Rs 315,000).

The external auditor did not carry out non-audit services for the Company during the financial year under review.

8. RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

8.1. Company Structure and Common Directors

MCB Factors Ltd is a wholly owned subsidiary of MCB Group Ltd.

Mr Michael Lising is a common Director of MCB Factors Ltd and MCB Group Ltd.

8.2. Directors' interest and dealings in shares

The Directors do not hold shares in the Company or through any associate.

8.3. Major Transaction

No major transaction as defined under section 130(2) of the Mauritian Companies Act 2001 was undertaken during the year under review.

8.4. Constitution

There are no clauses of the Constitution of the Company deemed material enough for special disclosure.

8.5. Shareholder's rights

The Company is committed to providing the Shareholder with adequate, timely and sufficient information pertaining to the Company's business.

The Shareholder is entitled to receive the Annual Report of the Company and the notice of Annual Meeting within six months of the end of the financial year.

The Shareholder is entitled to attend and vote in person or by proxy at meetings of Shareholders of the Company. During the meeting of Shareholders, the Shareholder is encouraged to communicate its view and to discuss the activities and performance of the Company with the Board and the Management.

The Company, being wholly owned by MCB Group Ltd, the Board does not consider it relevant to publish the Notice of Annual Meeting and the voting results on the website of the Company.

8.6. Dividend Policy

The Company has no formal dividend policy. It aims to provide its Shareholder with ongoing returns in the form of stable dividends. The declaration of dividends depends on the profitability of the Company and its expected growth and capital expenditure and working capital requirements.

8.7. Calendar of events

Some of the key milestones are as follows:

Financial year end	June 2026
Declaration/payment of dividend, if any	November 2026/June 2027
Annual Meeting of Shareholder	November/December 2026

8.8. Directors' service contracts

There are no service contracts between the Company and its directors.

8.9. Shareholder agreement affecting the governance of the Company by the Board

There is currently no such agreement.

8.10. Third party management agreement

There is a service level agreement between The Mauritius Commercial Bank Limited and the Company for provision of technical assistance and support services.

8.11. Stakeholder's relations and communication

The Board aims to properly understand the information needs of all stakeholders and places great importance on an open and meaningful dialogue including outlook and performance with all those involved with the Company. The main stakeholders of the Company are its Shareholder, the regulatory authorities, the employees, the clients and suppliers and the population at large.

The Company's website is used to provide relevant information. Open lines of communication are maintained to ensure transparency and optimal disclosure. All Board members are requested to attend Annual Meeting, to which Shareholders are invited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for:

i) adequate accounting records and maintenance of effective internal control systems;

ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cashflows for that period and which comply with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), the Mauritian Companies Act 2001 and the Mauritian Financial Reporting Act 2004;

iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

iv) the preparation of the financial statements on a going concern basis.

The external auditor is responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

i) adequate accounting records and effective systems of internal controls and risk management have been maintained;

ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

iii) applicable accounting standards have been adhered to; and

iv) the Code of Corporate Governance has been adhered to.

Signed by

For and on behalf of the Board of Directors

.....
Chairperson

Date: October 13, 2026

.....
Managing Director

Date: October 13, 2026

BDO

Tel : +230 202 3000
Fax: +230 202 9993
www.bdo.mu

10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of MCB Factors Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCB Factors Ltd (the "Company"), set out on pages 25 to 49 which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")*. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report including the Report of the Directors, Secretary's Certificate, Corporate Governance Report and Statement of compliance, but 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 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 Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of MCB Factors Ltd (Cont'd)

Responsibilities of Directors for the Financial Statements (cont'd)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

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INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of MCB Factors Ltd (Cont'd)

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor, and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the Annual Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Annual Report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report is made solely to the Company's Shareholder, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's Shareholder those matters we are required to state 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 Shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co

BDO & Co
Chartered Accountants

Didier Dabydin, FCA
Licensed by FRC

Port Louis,
Mauritius

October 13, 2026

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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STATEMENT OF FINANCIAL POSITION - JUNE 30, 2026

	Notes	2026	2025
ASSETS		**Rs'000**	Rs'000
Non-current assets			
Equipment	5	**1,223**	796
Intangible assets	6	**7,110**	9,561
		8,333	10,357
Current assets			
Financial assets at amortised cost	7	**1,551,111**	1,029,787
Other receivables and prepayments	8	**1,335**	1,436
Cash and cash equivalents	21(a)	**75,823**	60,924
		1,628,269	1,092,147
Total assets		**1,636,602**	1,102,504
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	**50,000**	50,000
Retained earnings		**463,717**	433,168
Total equity		**513,717**	483,168
Non-current liabilities			
Borrowings	10	**150,000**	150,000
Deferred tax liabilities	11	**925**	1,282
		150,925	151,282
Current liabilities			
Trade and other payables	12	**16,162**	17,637
Current tax liabilities	13	**7,895**	3,888
Borrowings	10	**898,190**	350,000
Bank overdrafts	21(a)	**49,713**	96,529
		971,960	468,054
Total equity and liabilities		**1,636,602**	1,102,504

These financial statements have been approved for issue by the Board of Directors on October 13, 2026 and signed on its behalf by

.....
Name:
Director

.....
Name: SAPNA SEWRAJ-SHAH
Director

The notes on pages 29 to 49 form an integral part of these financial statements.
Independent auditor's report on pages 22 to 24.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2026

	Notes		2026	2025
			Rs'000	Rs'000
Revenue	14		**170,644**	145,207
Finance costs	15		**(39,261)**	(31,687)
			131,383	113,520
Administrative and other expenses	16		**(71,502)**	(66,879)
Profit before taxation			**59,881**	46,641
Taxation	13(b)		**(14,832)**	(9,329)
Profit for the year			**45,049**	37,312
Other comprehensive income			**-**	-
Total comprehensive income for the year			**45,049**	37,312
Earnings per share	18	Rs.	**901**	746

The notes on pages 29 to 49 form an integral part of these financial statements.
Independent auditor's report on pages 22 to 24.

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2026

	Note	Stated capital	Retained earnings	Total equity
		Rs'000	Rs'000	Rs'000
At July 01, 2025		50,000	433,168	483,168
Profit for the year		-	45,049	45,049
Dividend	22	-	(14,500)	(14,500)
At June 30, 2026		**50,000**	**463,717**	**513,717**
At July 01, 2024		50,000	409,856	459,856
Profit for the year		-	37,312	37,312
Dividend	22	-	(14,000)	(14,000)
At June 30, 2025		**50,000**	**433,168**	**483,168**

The notes on pages 29 to 49 form an integral part of these financial statements.
Independent auditor's report on pages 22 to 24.

STATEMENT OF CASH FLOWS - YEAR ENDED JUNE 30, 2026

	Notes	2026	2025
		Rs'000	Rs'000
Cash flows from operating activities			
Profit before taxation		**59,881**	46,641
Adjustments for:			
Depreciation of equipment	5	**443**	368
Amortisation of intangible assets	6	**2,451**	2,451
Interest expense		**39,261**	31,687
Changes in working capital:			
Financial assets at amortised cost		**(521,324)**	(188,535)
Other receivables and prepayments		**100**	10
Trade and other payables		**(1,475)**	(4,160)
Cash used in operations		**(420,663)**	(111,538)
Interest paid		**(39,261)**	(31,687)
Tax refunded	13	**-**	828
Tax paid	13	**(11,182)**	(9,855)
Net cash used in operating activities		**(471,106)**	(152,252)
Cash flows from investing activities			
Purchase of equipment	5	**(869)**	-
Net cash used in investing activities		**(869)**	-
Cash flow from financing activities			
Proceeds from borrowings	21(b)	**548,190**	100,000
Dividend paid	22	**(14,500)**	(14,000)
Net cash generated from financing activities		**533,690**	86,000
Increase/(decrease) in cash and cash equivalents		**61,715**	(66,252)
Movement in cash and cash equivalents			
At July 01,		**(35,605)**	30,647
Increase/(decrease) in cash and cash equivalents		**61,715**	(66,252)
At June 30,	21(a)	**26,110**	(35,605)

The notes on pages 29 to 49 form an integral part of these financial statements.
Independent auditor's report on pages 22 to 24.

1. GENERAL INFORMATION

MCB Factors Ltd (the "Company") is a public company, limited by shares incorporated in the Republic of Mauritius on July 19, 2005 under the Mauritian Companies Act 2001. The Company holds a Factoring Licence under the Mauritian Financial Services Act 2007 and the Mauritian Financial Services (Consolidated Licensing and Fees) Rules 2008.

The principal activity of the Company is to provide factoring services and its registered office is situated at MCB Centre, 9-15 Sir William Newton Street, Port Louis.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholder of the Company.

2. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company comply with the Mauritian Companies Act 2001 and have been prepared in accordance with IFRS Accounting Standards. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

The financial statements are prepared under the historical cost convention.

The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs '000), except when otherwise indicated.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IAS 21 *The Effects of Changes in Foreign Exchange Rates*

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2026 or later periods, but which the Company has not early adopted.

2. ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date January 1, 2026

IFRS 9 *Financial Instruments* & IFRS 7 *Financial Instruments: Disclosures*

Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

Contracts Referencing Nature-dependent Electricity: The amendments clarify how IFRS 9 should be applied to power purchase agreements with specific characteristics. The amendments include clarification on the application of the 'own-use' requirements and permitting hedge accounting if these contracts are used as hedging instruments. New disclosure requirements have also been included to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Effective date January 1, 2027

IFRS 18 *Presentation and Disclosure in Financial Statements*

Presentation and disclosure in financial statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories – operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 - Presentation of Financial Statements.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Subsidiaries without Public Accountability: Disclosures: IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

2. ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Effective date January 1, 2027 (cont'd)

IAS 28 *Investments in Associates and Joint Ventures*

Amendments to the Fair Value Option for Investments in Associates and Joint Ventures: Narrow scope amendments to clarify which investments in associates and joint ventures a company is eligible to measure using the fair value option in IAS 28 - Investments in Associates and Joint Ventures. The amendments clarify that entities that have a main business activity of investing in particular types of assets are eligible to use the fair value option for such investments. The amendments are effective in the period in which an entity first applies IFRS 18 - Presentation and Disclosure in Financial Statements.

Effective date January 1, 2029

IFRS 20 *Regulatory Assets and Regulatory Liabilities*

Regulatory Assets and Regulatory Liabilities: IFRS 20 requires entities subject to rate regulation to recognise regulatory assets and regulatory liabilities for timing differences between when goods or services are supplied and when amounts are included in regulated rates. Companies that supply vital services such as electricity, water and gas are often subject to this type of regulation. The Standard introduces a comprehensive measurement and presentation model, including specific disclosure requirements to explain the nature and financial effects of rate regulation. This standard replaces IFRS 14 - Regulatory Deferral Accounts and supplements the information a company provides when applying IFRS 15 - Revenue from Contracts with Customers.

The effective date of the following amendments have been deferred indefinitely until further notice

IFRS 10 *Consolidated Financial Statements*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment addresses an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 *Investments in Associates and Joint Ventures*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment addresses an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not effective, on the presentation of its financial statements.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Equipment

Equipment is initially carried at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in the profit or loss.

Depreciation is calculated to write off the cost of equipment on a straight line basis over the expected useful lives of the assets concerned.

The principal rates are:

Furniture & fittings	7%
Motor vehicles	20%
Computer equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Repairs and renewals are charged to profit or loss when the expenditure is incurred.

2.3 Intangible assets

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (5-8 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Company and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding 8 years).

Expenditure that enhances or extends the benefits of computer software beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Financial assets

The Company classifies its financial assets at amortised cost. These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company applies the IFRS 9 general approach to the measuring of loss allowance for expected credit losses with increases in credit risk segmented into 3 stages as explained below.

The default rates of each stage are based on the historical data as adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product (GDP) to be the most relevant factor, and accordingly adjusts the default rates based on expected changes in the GDP.

In determining the days past due of receivables, the Company considers the exposure that have gone into negative availability, i.e. when a client's approved sales ledger is less than the client's current account balance.

Stage 1 - The trade receivables are either not yet due or if they are past due, the number of days past due does not exceed 30 days.

Stage 2 - There is a perceived increase in credit risk when the number of days past due exceed 30 days, with a corresponding significant increase in probability of default.

Stage 3 - Trade receivables are considered to be non-performing and specific provision for impairment is determined by management based on past historical track record or taking the specific financial situation of the debtor into consideration.

Expected credit losses are computed to measure the expected cash shortfalls, discounted at the original effective interest rates ("EIR"). A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- The probability of default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- The exposure at default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

- The loss given default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Financial assets (cont'd)

Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes and the time value of money and considering all reasonable and supportable information, including that which is forward-looking.

Impairment provisions for receivables from 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.

The Company's financial assets measured at amortised cost comprise of trade receivables, other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash at bank and for the purpose of the statement of cash flows - bank overdrafts.

2.5 Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which the liability was acquired. The Company's accounting policies for other financial liabilities are as follows:

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost: any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

2.7 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit).

2. ACCOUNTING POLICIES (CONT'D)

2.8 Foreign currencies

(a) *Functional and presentation currency*

Items included in the financial statements are measured using Mauritian rupees (MUR), the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Mauritian rupees (MUR), which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All other foreign exchange gains and losses are presented in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

2.9 Revenue recognition

(a) Revenue from contracts with customers

Factoring services

Revenue from factoring services is recognised at a point in time when the customer invoices are accepted for factoring. The Company provides factoring services to its customers and receives fees which is a percentage of each transaction. Factoring services can be with or without recourse. For without recourse customers, the Company obtains credit insurance on the portfolio of receivables prior to providing factoring services.

The Company also receives a factoring commission fee under a factoring contract for managing the clients' receivables including fatcoring and recovery services provided. Therefore, there is no judgement involved in allocating the contract price to each performance obligation.

(b) Interest income on factored debts.

The Company also earns interest income that are based on financing of factored debts recognised using the effective yield method.

2. ACCOUNTING POLICIES (CONT'D)

2.9 Revenue recognition (cont'd)

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.10 Current and deferred income tax

The tax expense for the period comprises of current tax, deferred tax, Corporate Social Responsibility (CSR) levy and Corporate Climate Responsibility (CCR) levy. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

In line with the definition of the Mauritian Income Tax Act 1995, CSR and CCR are regarded as a tax and is therefore subsumed with the income tax shown within profit or loss and the income tax liability on the statement of financial position. The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian Tax Authorities.

The Company is subject to the Advance Payment System (APS) whereby it pays income tax on a quarterly basis.

The Company is also subject to the Fair Share Contribution (FSC), where applicable, in accordance with the relevant provisions of the Value Added Tax Act. FSC is calculated on chargeable income at the applicable rate and is recognised as part of current tax expense in the period in which the related income arises. The contribution is payable on a quarterly basis and is applicable to income derived during the period from 1 July 2025 to 30 June 2028.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

2. ACCOUNTING POLICIES (CONT'D)

2.11 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

2.12 Employee benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

The pension plan forms part of the MCB Group's pension plan, is held independently and administered by the MCB Superannuation Fund.

2.13 Leases

IFRS 16 Leases results in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The Company has taken exemption in IFRS 16, as the lease contract qualifies as a short term lease with a term not exceeding 12 months.

3. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks.

3.1 Foreign exchange risk

The Company has assets and liabilities denominated in United States Dollar ("USD") and Euro ("EUR"). Consequently, the Company is exposed to the risk that the exchange rate of the Mauritian rupee may have relative effect on the reported values of the Company's assets and liabilities which are denominated in such currencies. The Company ensures that assets denominated in a foreign currency is matched by liabilities in the same currency.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2026		2025	
	Financial assets	**Financial liabilities**	Financial assets	Financial liabilities
	Rs'000	**Rs'000**	Rs'000	Rs'000
MUR	**1,438,164**	**915,877**	1,005,614	517,572
USD	**112,492**	**121,045**	49,642	57,751
EUR	**77,383**	**77,143**	36,688	38,843
	1,628,039	**1,114,065**	1,091,944	614,166

The following have been excluded from financial assets:	**2026**	2025
	Rs'000	Rs'000
Equipment	**1,223**	796
Intangible assets	**7,110**	9,561
Prepayments	**230**	203
	8,563	10,560

Sensitivity analysis

At June 30, 2026, if the rupee had weakened/strengthened by 10% against USD and EUR with all other variables held constant, the impact on post-tax profit for the year and total equity would have changed as follows:

	2026	2025
	Rs'000	Rs'000
USD	**855**	811
EUR	**(24)**	216

3.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial lost. The Company's credit risk is primarily attributable to the financial assets at amortised cost (trade receivables). The amounts presented in the statement of financial position are net of loss allowance for Expected Credit Losses (ECL) and specific provisions for impairment estimated by management based on prior experience and the current economic environment.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Credit risk (cont'd)

Over the years, the Company has developed processes to mitigate credit risk. The main processes are:
- Client selection based on established criteria.
- Established procedures set up to verify accuracy of invoices.
- Systematic and regular monitoring of trade receivables.
- Part of the trade receivables is credit insured.

The following table provides information regarding the carrying value of financial assets that have been impaired and the ageing of financial assets that are past due but not impaired.

	Within normal credit period	Within the approved sales ledger balance			
		Within 3 months	More than 3 months	Impaired	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross debtors:					
At June 30, 2026	**785,073**	**1,173,317**	**112,043**	-	**2,070,433**
At June 30, 2025	614,848	770,693	73,661	-	1,459,202

The amounts disclosed in the above table represent nominal value of the receivables and not the amounts that have been financed.

At June 30, 2026, Fund of Guarantee amounted to Rs.211,621k (2025: Rs.148,689k).

3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

In order to ensure the adequacy of its funding requirements, cash flow forecasts are regularly prepared and the relevant credit facilities are closely monitored.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	2026		2025	
	Less than 1 year	Between 2 and 5 years	Less than 1 year	Between 2 and 5 years
	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings (Note 10)	**898,190**	**150,000**	350,000	150,000
Bank overdrafts (Note 21)	**49,713**	-	96,529	-
Trade and other payables (Note 12)	**16,162**	-	17,637	-

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.4 Interest rate risk

The Company lends and borrows at variable interest rates which mitigate its exposure to interest rate risk. At June 30, 2026 and June 30, 2025, if interest rate on rupee denominated assets and liabilities had been 50 basis points higher/lower with all other variables held constant, the impact on post-tax profit for the year would have been immaterial.

3.5 Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for the shareholder and benefits for other stakeholders, and
- to provide an adequate return to the shareholder by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares, or sell assets to reduce debt.

The debt-to-adjusted capital ratios at June 30, 2026 and June 30, 2025 were as follows:

	2026	2025
	Rs'000	Rs'000
Borrowings (note 10)	**1,048,190**	500,000
Bank overdrafts (note 21(a))	**49,713**	96,529
Total debt and bank overdraft	**1,097,903**	596,529
Less: cash and cash equivalents (note 21(a))	**(75,823)**	(60,924)
Net debt	**1,022,080**	535,605
Total equity	**513,717**	483,168
Debt-to-adjusted capital	**199%**	111%

There were no changes in the Company's approach to capital risk management during the year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated loss allowance for expected credit losses on financial assets (factoring receivables)

From its portfolio of clients, the Company provides provision for those clients assumed to be at risk. The Company identifies the number of days an exposure has been in negative availability as the main indicator to determine the possible credit losses.

In assessing whether the credit risk has increased significantly, the Company also takes into account its historical experience, extensive credit analysis of management, forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables and also on financial position of the client.

(b) Deferred tax assets arising from impairment losses

The Company has a deferred tax asset arising mainly on impairment losses. The directors have made estimates of the loss allowances for Expected Credit Losses (ECL), based on prior experience, current economic environment and forward-looking information on macroeconomics factors affecting the customers.

5. EQUIPMENT

	Furniture & fittings	Motor vehicles	Computer equipment	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 01, 2024	1,278	866	5,799	7,944
Additions	-	-	-	-
At June 30, 2025	**1,278**	**866**	**5,799**	**7,944**
Additions	**-**	**-**	**869**	**869**
At June 30, 2026	**1,278**	**866**	**6,668**	**8,813**
DEPRECIATION				
At July 01, 2024	736	866	5,177	6,779
Charge for the year	86	-	282	368
At June 30, 2025	**822**	**866**	**5,459**	**7,147**
Charge for the year	**85**	**-**	**358**	**443**
At June 30, 2026	**907**	**866**	**5,817**	**7,590**
NET BOOK VALUES				
At June 30, 2026	**371**	**-**	**851**	**1,223**
At June 30, 2025	456	-	340	796

Depreciation charge of Rs 443,000 (2025: Rs 368,000) has been included in administrative expenses.

6. INTANGIBLE ASSETS

	Computer software	
	2026	2025
	Rs'000	Rs'000
COST		
At July 01,	**24,002**	24,002
Additions	**-**	-
Disposals	**-**	-
At June 30,	**24,002**	24,002
AMORTISATION		
At July 01,	**14,441**	11,990
Charge for the year	**2,451**	2,451
At June 30,	**16,892**	14,441
NET BOOK VALUES		
At June 30,	**7,110**	9,561

Amoritisation expense of Rs 2,451,000 (2025: Rs 2,451,000) has been included in administrative expenses.

7. FINANCIAL ASSETS AT AMORTISED COST

	2026	2025
	Rs'000	Rs'000
Trade receivables	**1,553,528**	1,032,204
Less: provision for impairment	**(2,417)**	(2,417)
Trade receivables - net	**1,551,111**	1,029,787

(a) *Impairment of financial assets at amortised cost*

The loss allowance as at June 30, 2026 was determined as follows for trade receivables excluding entities under common control:

	Stage 1	Stage 2	Stage 3	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At June 30, 2026				
Expected Credit Loss (range)	**0.05%-0.30%**	**2.00%-6.00%**	**7.00%-20.00%**	
Change in GDP		**3.80%**		
Gross carrying amount -				
Financial assets at amortised cost	**1,553,528**	-	-	**1,553,528**
Impairment provision				
ECL Including forward looking element	**2,417**	-	-	**2,417**
At June 30, 2025				
Expected Credit Loss (range)	0.05%-0.30%	2.00%-6.00%	7.00%-20.00%	
Change in GDP		6.30%		
Gross carrying amount -				
Financial assets at amortised cost	1,032,117	-	87	1,032,204
Impairment provision				
ECL Including forward looking element	2,406	-	10	2,417

The company's policy for determining the stage is disclosed in note 2.4.

(b) The financial assets at amortised cost approximate their fair value. The financial assets at amortised cost consist of the net amount financed. The Company, generally, does not hold any collateral as security.

The carrying amount of the Company's financial assets is denominated in the following currencies:

	2026	2025
	Rs'000	Rs'000
MUR	**1,363,653**	945,873
USD	**112,492**	49,642
EUR	**77,383**	36,689
	1,553,528	1,032,204

7. FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(c) The closing loss allowance for financial assets as at June 30, reconcile to the opening loss allowance as follows:

	2026	2025
	Rs'000	Rs'000
At July 01, and June 30,	**2,417**	2,417

8. OTHER RECEIVABLES AND PREPAYMENTS

	2026	2025
	Rs'000	Rs'000
Other receivables (note (a))	**1,105**	1,233
Prepayments (note (b))	**230**	203
	1,335	1,436

(a) Other receivables

(i) Other receivables include deposit on insurance for credit guarantee.

(ii) The carrying amounts of other receivables are denominated in MUR and thus not exposed to foreign currency risk.

(iii) Other receivables are unsecured, interest-free and repayable on demand.

(b) Prepayments include mainly prepaid subscription fee.

9. STATED CAPITAL

	2026 & 2025
	Rs'000
Issued and fully paid	
50,000 ordinary shares of no par value	**50,000**

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

10. BORROWINGS

	2026	2025
	Rs'000	Rs'000
Non-current		
Shareholder's loan (note (a))	**150,000**	150,000
Current		
Bank borrowings - secured (note (b))	**898,190**	350,000
Total borrowings	**1,048,190**	500,000

(a) The Company obtained a loan of Rs 150m from MCB Group Limited, its holding company and is repayable on December 31, 2027. Rate of interest applicable was Key Rate per annum.

(b) Bank borrowings are secured by floating charges on the assets of the Company. Interest rate applicable for bank borrowings is MCB Money Market Rate.

11. DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method at 19% (2025: 19%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statement of financial position:

	2026	2025
	Rs'000	Rs'000
Deferred tax liability	**925**	1,282

(b) The movement on the deferred income tax account is as follows:

	2026	2025
	Rs'000	Rs'000
At July 01,	**1,282**	1,326
Credited to profit or loss (note 13)	**(357)**	(200)
Effect of change in deferred tax rate (note 13)	**-**	156
At June 30,	**925**	1,282

(c) The deferred tax liability arise respectively on accelerated tax depreciation and expected credit losses.

Deferred tax liability	Accelerated tax depreciation	Expected credit losses	Total
	Rs'000	Rs'000	Rs'000
At July 01, 2024	1,737	(411)	1,326
Credited to profit or loss	(200)	-	(200)
Effect of change in deferred tax rate	204	(48)	156
At June 30, 2025	1,741	(459)	1,282
Credited to profit or loss (Note 13)	(357)	-	(357)
At June 30, 2026	**1,384**	**(459)**	**925**

12. TRADE AND OTHER PAYABLES

	2026	2025
	Rs'000	Rs'000
Trade payables	**8,577**	9,089
Amount due to related parties		
- Entities under common control	**4,568**	6,771
- Related companies	**1,550**	1,229
Other payables	**1,467**	548
	16,162	17,637

12. TRADE AND OTHER PAYABLES (CONT'D)

(a) The carrying amounts of trade and other payables approximate their fair value and are denominated in the following currencies:

	2026	2025
	Rs'000	Rs'000
MUR	**15,877**	17,573
USD	**138**	13
EUR	**147**	51
	16,162	17,637

(b) The amount due to related parties is unsecured, interest-free and repayable on demand.

13. TAXATION

		2026	2025
		Rs'000	Rs'000
(a)	Amount recognised in statement of financial position		
	At July 01,	**3,888**	3,542
	Charge for the year	**9,493**	7,293
	Over provision in respect of previous years	**-**	(828)
	Corporate Social Responsibility contribution	**1,266**	973
	Corporate Climate responsibility ("CCR") Levy	**1,266**	973
	Fair Share Contribution*	**3,164**	-
	Effect of change in tax rate	**-**	962
	Tax refunded	**-**	828
	Paid during the year	**(11,182)**	(9,855)
	At June 30,	**7,895**	3,888

(b) Amount recognised in profit or loss	**2026**	2025
	Rs'000	Rs'000
Current tax on the adjusted profit for the year at 15%	**9,493**	7,293
Over provision in respect of previous years	**-**	(828)
Corporate Social Responsibility contribution	**1,266**	973
Corporate Climate responsibility ("CCR") Levy	**1,266**	973
Fair Share Contribution*	**3,164**	-
Deferred tax (note 11)	**(357)**	(200)
Effect of change in tax rate	**-**	962
Effect of change in deferred tax rate (note 11)	**-**	156
	14,832	9,329

*A Fair Share Contribution (FSC) has been introduced under the Value Added Tax Act (VAT) and is applicable to companies required to be VAT registered and having annual chargeable income exceeding MUR 24 million. This contribution is payable on a quarterly basis under a system similar to Advance Payment System under corporate tax and is not deductible against other tax credits. The contribution is applicable to income derieved as from 1st of July 2025 and will be imposed for 3 consecutive years.

13. TAXATION (CONT'D)

(c) The tax on the Company's results before taxation differs from the theoretical amount that would arise using the basic rate of the Company as follows:

	2026	2025
	Rs'000	Rs'000
Profit before taxation	**59,881**	46,641
Tax calculated at the rate 15% (2025: 15%)	**8,982**	6,996
Income not subject to tax	**(152)**	(4)
Expenses not deductible for tax purposes	**663**	101
Effect of CSR	**-**	-
Corporate Social Responsibility contribution	**1,266**	973
Corporate Climate Responsibility ("CCR") Levy	**1,266**	973
Fair Share Contribution	**3,164**	-
Over provision in respect of previous years	**-**	(828)
Effect of change in tax rate	**-**	962
Effect of change in deferred tax rate	**(357)**	156
Tax charge	**14,832**	9,329

14. REVENUE

	2026	2025
	Rs'000	Rs'000
Revenue from interest	**99,488**	80,035
Revenue from factoring services	**71,006**	65,091
Revenue from other services	**150**	81
	170,644	145,207
Timing of Revenue Recognition		
At a point in time	**71,006**	65,091
Over time	**99,638**	80,116
	170,644	145,207

15. FINANCE COSTS

	2026	2025
	Rs'000	Rs'000
Interest expense:		
- Bank overdrafts & Money Market Line	**32,480**	25,196
- Shareholder's loan	**6,781**	6,491
	39,261	31,687

16. ADMINISTRATIVE AND OTHER EXPENSES

	2026	2025
	Rs'000	Rs'000
Employee benefit expense (Note 17)	**46,093**	40,750
Management fee	**7,156**	6,498
Credit insurance expense	**7,047**	7,838
Depreciation and amortisation	**2,895**	2,819
Other administrative expenses	**8,311**	8,974
	71,502	66,879

17. EMPLOYEE BENEFIT EXPENSE

	2026	2025
	Rs'000	Rs'000
Wages and salaries	**38,942**	34,620
Pension costs	**5,308**	4,633
Social security costs	**1,803**	1,382
Group employee share option scheme	**40**	115
	46,093	40,750

18. EARNINGS PER SHARE

		2026	2025
		Rs'000	Rs'000
Profit for the year		**45,049**	37,312
Number of ordinary shares in issue		**50,000**	50,000
Basic earnings per share	Rs.	**901**	746

19. RELATED PARTY TRANSACTIONS

	Finance costs	Management & other fees	Amount due to related parties	Banking facilities
	Rs'000	Rs'000	Rs'000	Rs'000
2026				
Entities under common control	**32,480**	**7,753**	**2,854**	**947,903**
Holding company	**6,781**	**-**	**1,714**	**150,000**
Related companies	**-**	**7,047**	**1,550**	**-**

	Finance costs	Management & other fees	Amount due to related parties	Banking facilities
	Rs'000	Rs'000	Rs'000	Rs'000
2025				
Entities under common control	25,196	7,329	5,088	446,529
Holding company	6,491	-	1,683	150,000
Related companies	-	7,838	1,229	-

Amount due to related parties represents the following:

(i) Management fees in respect of services (rent, electricity, telephone, maintenance and other costs) rendered by Fellow Subsidiary. The services are invoiced and paid once yearly.

(ii) Credit insurance fees paid on a monthly basis.

(iii) Secretarial fees paid to MCB Group Corporate Services Ltd on a monthly basis.

Terms and conditions:

(i) The above transactions have been made in the normal course of business.

(ii) The terms and conditions of outstanding balances have been disclosed in their respective notes.

(iii) There has been no guarantees provided or received for any related party receivables or payables.

(iv) For the year ended June 30, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2025: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

20. HOLDING COMPANY

The holding company is MCB Group Limited, incorporated in Mauritius. Its registered address is 9 - 15 Sir William Newton Street, Port Louis, Mauritius.

21. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents include the following for the purpose of the statement of cash flows.

	2026	2025
	Rs'000	Rs'000
Cash at bank	**75,823**	60,924
Bank overdrafts	**(49,713)**	(96,529)
	26,110	(35,605)

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Bank overdrafts are secured by floating charges on the assets of the Company. Interest rate applicable for MUR bank overdraft facilities are the MCB PLR Rate.

(b) Reconciliation of liabilities arising from financing activities

	2025	**Cash flows**	**2026**
	Rs'000	**Rs'000**	**Rs'000**
Shareholder's loan	**150,000**	**-**	**150,000**
Bank borrowings - secured	**350,000**	**548,190**	**898,190**
	500,000	**548,190**	**1,048,190**

	2024	Cash flows	2025
	Rs'000	Rs'000	Rs'000
Shareholder's loan	150,000	-	150,000
Bank borrowings - secured	250,000	100,000	350,000
	400,000	100,000	500,000

22. DIVIDEND

		2026	2025
		Rs'000	Rs'000
Amount recognised as distributions to equity holders in the year:			
Dividends paid during the year		**14,500**	14,000
Number of ordinary shares in issue		**50,000**	50,000
Dividends per share	Rs.	**290**	280

23. EVENTS AFTER THE REPORTING PERIOD

There have been no material event since the end of the reporting period which would require disclosure or adjustment to the financial statement.