NAZARA UGANDA LIMITED

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED 31 MARCH 2021

Auditors:

ABET & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
4th Floor Raja Chambers
Plot 3 Parliament Avenue
P. O. Box 24234 Kampala
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COMPANY INFORMATION

DIRECTORS	Mr. Vikash Mittersain
SECRETARIES	Equatorial Secretaries and Registrars Kalamu House, Plot 1B, Kiira Road Kampala
AUDITORS	Abet & Company Certified Public Accountant P.O. Box 24234 Kampala
PRINCIPAL BANKERS	Standard Chartered Bank Lugogo Branch Kampala

DIRECTORS' REPORT
The directors submit their report together with the audited financial statements for the year ended 31 March 2021 which disclose the state of affairs of Nazara Uganda Limited ("the company"), as at that date and the operations of the company for the year then ended.

PRINCIPAL ACTIVITIES
The principal activity of the company is provision of mobile value added services (VAS) through telecom consumer base, including game download and subscription based services like "Games Club".

RESULTS FOR THE YEAR MONTHS
The results of the company for the year ended 31 March 2021 are set out on page 8 and the appropriations thereof in the statement of changes in equity on page 10.

DIRECTORS
The directors who held office at the date of this report are shown on page 2.

AUDITORS
M/S Abet & Company Certified Public Accountant have indicated their willingness to continue in office in accordance with Section 167 of the Companies Act 2012.

By Order of the Board
KAMPALA

……………………….
SECRETARY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 2012 requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose with reasonable accuracy the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates consistent with previous years, and in conformity with the International Financial Reporting Standards and the requirements of the Companies Act 2012 The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 March 2021 and of its operating results for the year then ended. The directors further confirm the accuracy and completeness of the accounting records maintained by the company which has been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the board of directors on........................ and signed on its behalf by:

VIKASH MITTERSAIN Digitally signed by VIKASH MITTERSAIN Date: 2021.05.26 14:27:01 +05'30'

DIRECTOR	**DIRECTOR**

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NAZARA (UGANDA) LIMITED ON THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2021

Opinion

We have audited the accompanying financial statements of Nazara Uganda Limited set out on pages 8 to 11, which comprise of the Statement of Financial Position as 31st March 2021 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31st March 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for small and Medium-sized Entities, and the requirements of the Uganda Companies Act.

Basis of Opinion

We conducted the audit in accordance with the International Standards on Auditing (ISAs). Our responsibility under those standards are further described in the auditor's responsibilities for Audit of financial statements section of our report. We are independent of the company in accordance with the International Standards Board for accountants' code of Ethics for professional accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, are of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. There were no specific key audit matters to report on.

Other information

The directors are responsible for other information. The other information comprises of the Directors' report, but does not include the financial statements and our auditors' report. Our opinion on the financial statements does not cover 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 the Board of Directors and those charged with governance for the financial statements.

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and Uganda's Company Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for 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 uses and the reasonableness of accounting estimates and related disclosures made by the 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.

ABET & COMPANY
Certified Public Accountant

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 the report. However future events or conditions may cause the Company to cease to continue 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.

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Uganda Companies Act 2012 we report to you, based on our audit, that:

- we obtained all the information and explanations which to the best of our knowledge and belief were necessary for purposes of the audit;
- in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- the company's financial statements are in agreement with the books of account.

The engagement practitioner on the audit resulting in this independent auditor's report is Wilson Keezi (P0093), whose signature and seal are appended below.

Abet & Company

ABET & COMPANY, CERTIFIED PUBLIC ACCOUNTANT
KAMPALA.

....
Wilson Keezi

ABET & COMPANY
26 MAY 2021
P.O. Box 24234, Kampala (U)
Certified Public Accountant

The firm is licensed and Regulated by ICPAU (Registration No. AF 0074) Raja Chambers, Plot 3 Parliament Avenue, P.O. Box 24234, Kampala, Tel: +256772919110, +256414662128, email: info@abet-cpa.com.
Practitioner: Wilson Keezi

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	**Year ended 31-Mar-21 U. Shs.**	**Year ended 31-Mar-20 U. Shs.**
Sales		494,603,393	402,038,592
Cost of sales	8	(195,743,649)	(282,595,395)
		298,859,744	**119,443,197**
Other income	9	36,223,856	-
		335,083,600	**119,443,197**
Administrative expenses	10	(47,313,659)	(60,536,524)
Bank charges	11	(586,500)	(1,253,070)
Reverse VAT tax		-	(10,658,125)
Total expenses		**(47,900,159)**	**(72,447,719)**
Operating profit /(Loss)		287,183,441	46,995,478
Loss on exchange		-	(12,474,414)
Profit before tax		287,183,441	34,521,064
Income tax (expense) / credit	4	(60,637,569)	(10,356,319)
Profit/(loss) after tax		226,545,872	24,164,745
Other comprehensive income		-	-
Net profit for the year		226,545,872	24,164,745

The notes to the financial statements on pages 12 to 20 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

		31.03.2021	31.03.2020
ASSETS		**U. Shs.**	**U. Shs.**
Non-Current Assets		-	-
Deferred tax	4	-	5,515,303
		-	**5,515,303**
Current Assets			
Trade and other receivables	5	832,422,792	503,723,532
Cash and cash equivalents		753,190,153	592,134,810
		1,585,612,945	1,095,858,342
Total Assets		**1,585,612,945**	**1,101,373,645**
EQUITY AND LIABILITIES			
Equity			
Share capital	6	10,000,000	10,000,000
Retained earnings		107,923,576	(118,622,296)
Total equity		**117,923,576**	(108,622,296)
Non-current liabilities			
Deferred tax liability		10,867,157	-
Current liabilities			
Trade and other payables	7	1,412,567,103	1,209,995,941
Provision for tax		44,255,109	-
		1,456,822,212	**1,209,995,941**
Total Equity and liabilities		**1,585,612,945**	**1,101,373,645**

These financial statements were approved by the Board of Directors on ....and were Signed on its behalf by:

VIKASH MITTERSAIN ... Digitally signed by VIKASH MITTERSAIN Date: 2021.05.26 14:27:35 +05'30'
....
Director

The notes to the financial statements on pages 12 to 20 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021	Share Capital	Retained Earnings	Total
	U. Shs.	**U. Shs.**	**U. Shs.**
Balance 1April 2020	10,000,000	(118,622,296)	(108,622,296)
Changes in equity for year			
Issue of share capital	-	-	-
Profit / (loss) for the year	-	226,545,872	-
Balance 31 March 2021	10,000,000	107,923,576	117,923,576

Year ended 31 March 2020	Share Capital	Retained Earnings	Total
	U. Shs.	**U. Shs.**	**U. Shs.**
Balance 1April 2019	10,000,000	(142,787,041)	(132,787,041)
Changes in equity for year			
Issue of share capital	-	-	-
Profit / (loss) for the year	-	24,164,745	-
Balance 31 March 2020	10,000,000	(118,622,296)	(108,622,296)

The notes to the financial statements on pages 12 to 20 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS	**Note**	**Year end 31-Mar-21 Shs**	**Year end 31-Mar-20 Shs**
Cash flows from operating activities			
Profit before income tax		287,183,441	34,521,064
Operating profit before working capital changes		287,183,441	34,521,064
Decrease / (increase) in:			
Inventories			
Trade and other receivables		(328,699,260)	(219,763,888)
Increase / (decrease) in:			
Trade and other payables		202,571,162	306,031,763
Cash generated from operations		**161,055,343**	**120,788,939**
Net cash generated from operating activities		**161,055,343**	**120,788,939**
Cash flows from / (used in) investing activities		-	-
Cash flows from / (used in) financing activities		-	-
Net (decrease) in cash and cash equivalents		**161,055,343**	**120,788,939**
Cash and cash equivalents at year beginning	14	592,134,810	471,345,871
Cash and cash equivalents at year end	14	**753,190,153**	**592,134,810**

The notes to the financial statements on pages 12 to 20 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Principal accounting policies adopted in the preparation of the financial statements are set out below:

a) Basis of preparation

The financial statements are prepared under the historical cost convention, and are in compliance with international Financial Reporting Standards (IFRS).

b) Use of Estimates

The preparation of interim financial statements in conformity with IFRS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

i. Income from services

- Revenue from subscription / download of mobile games and other contents is recognised based on provision of services as per contract with the operators and content distributers.
- Revenue from advertising services is recognised in the period in which advertisings are displayed.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the consolidated interim statement of profit and loss.

d) Property and Equipment

The company has not yet acquired property and equipment.

e) Foreign currency translation

i. Initial recognition

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

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

f) Trade receivables

Trade receivables are initially measured at fair value and subsequently at amortized cost using the effective interest rate method. Trade receivables are carried at anticipated realizable amounts. Specific provision is made for all known doubtful debts. Bad debts are written off in the year in which they are identified.

g) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

h) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. The Company has measured its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

j) Comparatives

Comparative figures for the previous year have been adjusted where applicable to conform with changes in presentation for the current year.

k) Functional and presentation currency

The financial statements have been presented in Uganda Shillings (U. Shs), which is the company's functional currency.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The company has noted the following revised standards and interpretations that are effective for the current financial year and that are relevant to its operations. The revised standards are for financial statements for annual periods beginning on or after 1 January 2017. The following are the amended standards.

- Amendments to IAS 7: Disclosure Initiative;
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses;
- Amendments to IAS 27: Equity Method in Separate Financial Statements;
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception;
- IFRS 15: Revenue from Contracts with Customers;
- IFRS 9: Financial instruments (2014);
- Amendments to IFRS 2 : Classification and Measurement of Share-based Payment Transactions;
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration.
- Annual Improvements to IFRSs 2012–2014 Cycle – various standards.

There are other standards and amendments effective for years beginning on or after 1 January 2019.

These are:

- IFRS 16: Leases
- IFRIC 23 Income Tax Exposures
- **IAS 12** Income Tax Consequences of Payments on Financial Instruments Classified as Equity *(Annual Improvements 2015–2017 Cycle)*
- **IAS 19** Plan Amendment, Curtailment or Settlement
- **IAS 23** Borrowing Costs Eligible for Capitalisation *(Annual Improvements 2015–2017 Cycle)*
- **IAS 28** Long-term Interests in Associates and Joint Ventures
- **IFRS 3** Previously Held Interest in a Joint Operation *(Annual Improvements 2015–2017 Cycle)*
- **IFRS 9** Prepayment Features with Negative Compensation
- **IFRS 11** Previously Held Interest in a Joint Operation *(Annual Improvements 2015–2017 Cycle)*.

For periods beginning 1 January 2020.

- **IFRS 3** Definition of a Business
- **IAS 1** Definition of Material
- **IAS 8** Definition of Material

Effective 1 January 2021

- IFRS 17 Insurance Contracts

The company has, where applicable, adopted the relevant standards and amendments. The effect of these IFRS and amendments on the financial statements has not been material.

3. RISK MANAGEMENT

The company's objectives are to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholders and other stakeholders and maintain an optimal capital structure.

There are several risks the company is faced with. The main ones are:

i. Foreign Currency Risk
ii. Concentration Risk
iii. Liquidity Risk

i. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company undertakes transactions denominated in foreign currency; consequently exposure to exchange rate fluctuations may arise. Exchange rate exposures are managed within approved company policy parameters. The company is mainly exposed to the United States dollar because the cost of sales are in dollars. The Company's exposure to the risk of changes in foreign exchange rates is determined to be material.

The table below shows the assets and liabilities denominated in foreign currency.

	31-Mar-21 Shs.	31-Mar-20 Shs.
Assets		
Bank accounts in US $	5,388,210	5,591,750
Trade receivables in US $	-	-
Total assets	5,388,210	5,591,750
Liabilities		
Trade payables denominated in US $	1,397,866,584	1,209,076,794
Net liabilities denominated in US $	**1,392,478,374**	**1,203,485,044**

The table below gives the company's sensitivity to a 5%, increase and decrease in the Uganda Shilling against the US dollar. Management believes that a 5% movement in either direction is reasonably possible at the balance sheet date. The sensitivity analysis below includes outstanding US dollar denominated liabilities. A positive number indicates increase in profit where the Uganda Shilling strengthens by 5% against the US dollar. For a 5% weakening of the Uganda Shilling against the US dollar there would be an equal and opposite impact on profit, and the balances would be negative.

Sensitivity analysis.

	Year ended 31-Mar-21 U. Shs	Year ended 31-Mar-20 U. Shs
Shilling strengthens against the dollar by 5%		
Profit	69,623,919	60,174,252
Shilling weakens against the dollar by 5%		
(Loss)	(69,623,919)	(60,174,252)

ii. Concentration risk

The Company is exposed to concentration risk because it has one customer.
To mitigate the risk, the Company is trying to expand operations by using Google platform.

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close cut market positions.

Due to dynamic nature of the underlying business, the company maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through ongoing review of the future commitments and credit facilities.

The table below analyses the company's financial assets and liabilities that will be settled on a net basis into relevant maturity based on the remaining period at the Statement of financial position date to the contractual maturity date. The amount disclosed in the table are the contractual cash flows. Balances due within 12 months equal their carrying balances and the impact of discounting is not significant.

At March 31, 2021

	Up to 3 months	**3-12 months**
		U.Shs.'
Assets		
Cash and bank balance	753,190,153	-
Trade and other receivables	832,422,792	-
	1,585,612,945	-
Liabilities		
Trade and other payables	19,084,605	-
Deferred Income	14,700,519	-
Group balances		1,378,781,979
Total liabilities	33,785,124	1,378,781,979
Net liquidity 31 March 2021	**1,551,827,821**	**(1,378,781,979)**

NOTES TO THE FINANCIAL STATEMENTS

4. TAX

4(a) Deferred tax

Deferred tax is calculated in full on all temporary timing differences under the liability method using a principal tax rate of 30%. The movement on the deferred tax account is as follows:

	31 Mar. 21 Shs.	31 Mar. 20 Shs.
At start of period	5,515,303	15,871,622
Profit and loss account credit (charge)	(16,382,460)	(10,356,319)
At end of year: Asset / (liability)	(10,867,157)	5,515,303

Deferred tax (liabilities) and assets, deferred tax Credit/(Charge) in the profit and loss account is:

	At 01 April 20 Shs	(Charged)/ credited to P/L Shs	At 31 March 21
Deferred tax assets / (liabilities)			
Losses brought forward	5,515,303	(16,382,460)	(10,867,157)
Deferred tax (charged) / credited to P/L	**5,515,303**	**(16,382,460)**	**(10,867,157)**

4.(b) Current tax

b) Tax in profit and loss account

Current tax	44,255,109	-
Deferred tax	16,382,460	10,356,319
	60,637,569	**10,356,319**

5. TRADE RECEIVABLES AND OTHER RECEIVABLES

	31-Mar-21 Shs.	31-Mar-20 Shs.
Trade Receivables -un-invoiced Customer	662,837,634	377,461,588
Other Receivables	169,585,158	126,261,944
	832,422,792	503,723,532

OTHER RECEIVABLES

Advance Income Tax	14,405,241	874,964
VAT	12,405,509	4,300,288
Withholding tax	120,068,578	106,688,055
Selling Shareholder	10,175,963	10,175,963
Prepaid expenses	4,222,674	4,222,674
IPO recoverable	8,307,193	-
	169,585,158	**126,261,944**

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made up of demand deposits in the bank.

7. SHARE CAPITAL

100 shares of Shs. 100,000 each fully paid. Total issued and fully paid is Shs. 10,000,000.

8. TRADE AND OTHER PAYABLES

	31-Mar-21 Shs.	31-Mar-20 Shs.
Nazara Technologies (Mauritius)	1,248,817,217	1,183,410,429
Nazara Pte. Limited (Singapore)	119,344,762	-
Other Creditors	10,620,000	6,756,545
Deferred Income	14,700,519	919,147
Accrued expenses	19,084,605	18,909,820
	1,412,567,103	**1,209,995,941**

9. COST OF SALES

	Year ended 31-Mar-21 U. Shs	Year ended 31-Mar-20 U. Shs
Bundle of services including license fees	-	229,333,019
Technologies Services	60,419,712	50,097,619
Digital Marketing Services	4,778,841	3,164,757
Advertising	130,545,096	-
	195,743,649	282,595,395

Note: The cost of sales include bundle of services including license fees payable to Nazara Technologies Mauritius.

10. ADMINISTRATIVE EXPENSES

	Year ended 31-Mar-20 U. Shs	Year ended 31-Mar-20 U. Shs
Administration and business services	25,371,346	23,868,693
Professional Fees	13,513,523	29,021,640
Audit Fees and expenses	8,428,790	7,421,213
Out of pocket expenses	-	73,978
Courier services	-	151,000
	47,313,659	**60,536,524**

12. FINANCIAL EXPENSES

	Year ended 31-Mar-21 U. Shs	Year ended 31-Mar-20 U. Shs
Bank Charges	586,500	1,253,070
Foreign exchange Loss	-	12,474,414
	586,500	**13,727,484**

13. RELATED PARTY TRANSACTIONS

Nazara Uganda Limited is in the same group of companies which include Nazara Pte. Limited and Nazara Technologies Limited. The transactions between the companies are at arm's length.

On 31st March 2021, Nazara Uganda Limited owed Nazara Technologies (Mauritius) UGX. 1,248,817,217, and Nazara Pte. Limited (Singapore) UGX. 119,344,762 respectively. The amounts are denominated in United States Dollars.