ORIENT TELECOMS PLC

ANNUAL REPORT AND ACCOUNTS

for the year ended 31 March 2020

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OFFICERS AND PROFESSIONAL ADVISORS

Directors	Sayed Mustafa Ali - *Executive Director* Ross Andrews - *Independent NED* Leon Santos - *Independent NED* Wong Chee Keong - *Independent NED*
Company Secretary	London Registrar Suite A, 6 Honduras St, London EC1Y 0TH
Registered Office	London Registrar Suite A, 6 Honduras St, London EC1Y 0TH
Registered Number	10028222
Head Office	2B-25-1, 25th Floor, Plaza Sentral Jalan Stesen Sentral 5 50470 Kuala Lumpur Malaysia
Brokers	Optiva Securities Limited 49 Berkeley Square, London, W1J 5AZ
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JM
Legal advisers to the Company	Bird & Bird LLP 12 New Fetter Lane London, EC4A 1 JP

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

On behalf of the Board of Directors, I have great pleasure to present the Annual Report and Audited Financial Statements of Orient Telecoms Plc (the "Company") and its subsidiary undertaking (together the "Group") for the financial year ended 31 March 2020.

OVERVIEW

With the increasing demand for cloud based services, telecommunication companies are expected to be ready to offer cost effective cloud based services along with virtual platforms to operate and monitor them. The customers also require that this has to be supported with efficient and effective connectivity of high speed and low latency network. Orient Telecoms has specialized in exactly the same area by developing its solutions and service operable by leveraging on 3rd party infrastructures. We are able to deliver this seamlessly at the cloud platform and supported by its super high-speed network connectivity.

The Group has positioned itself as fully managed overlay network service provider which makes the company very light weight and not requiring to invest heavily in building the network infrastructure which may later be at risk due to sudden change in the technology. Evolution from 4G to 5G is only going to make the company stronger to offer better services to its customers with greater reach.

With the introduction and race to deploy 5G services across the region, Orient Telecoms finds itself in a very safe and secure place by having its approach to provide connectivity riding on 3rd party infrastructure. As the fixed line telecommunication companies keeps on growing their 5G reach, Orient Telecoms will follow their infrastructure to offer its services/platforms to its clients regionally.

By introducing disruptive and innovative communications and technology solutions, the Group has recorded a solid performance, with the revenue increase by nearly threefold to approximately £600,000 (2019: £219,000) and net loss per share reduced from 2.12p to 0.14p.

Cash position remains strong at £350,692 with no borrowings.

After having good response from the market last year, the Group has decided to roll-out a new low cost and high performance Cloud based Internet security service platform which helps organisations managing the cleanliness of e-mails coming from external sources, and also to ensure the e-mails contents are not compromised. With this next generation cloud based security services, the organisations are not only able to secure their e-mail services but also able to substantially reduce the cost spent on such features which was previously managed using dedicated hardware at site.

The Group is also working with its partners to introduce new platforms, cloud based services and other technology solutions. The next goal is to have its business unit focus on other service sectors such as Satellite based high speed internet and Smart City solutions.

Continuing its policy of cost-saving, Orient Telecoms has launched its Reseller Program to widen-up its reach to the customers and to achieve better results. Along with other initiatives, the reseller program not only gives the Group a quick reach to many businesses, but also helps to generate quick and larger awareness in the market.

The technology teams has shown good commitment and operationally the Group has achieved excellent performance feedback from its customers. We will continue to ensure the performance keeps on improving and the company to become a major operator in the region.

The financial year ending March 2020 has been a great year, the management team is optimistic about the next financial year despite minor setbacks due to challenging business environment mainly caused by COVID-19 pandemic and is looking forward to leveraging on the good work that has been done by our team.

Our strategy for coming year is to continue to develop customer-led end-to-end hi-tech solutions not only to serve the B2B sector but also to attend to the government agencies and public work departments.

COVID-19 has adversely affected almost all industries and markets. However the impact on telecommunication business was not as severe. As a result of this effect, the cycle time to convert an opportunity into sales has increased significantly. The sales team is having challenges meeting customers frequently and following up with the relevant people to ensure the deal is closed. The Group foresees this effect to continue in coming year. The Group has put in place all the necessary tools, processes and systems to reduce the cycle time as much as possible. Over all, the Group do not anticipate any adverse effect on its business for the next financial year.

MARKET REVIEW AND OUTLOOK

The Group expects 2021 to be another challenging year and competition remain intense as well as the COVID-19 situation globally slowing down the businesses. Whilst it may not be an easy year ahead, the Group is committed to continue its efforts in improving its competitiveness by implementing various strategies include further negotiating better deals with other network provider as our business grows, which will enable efficiency in cost management and optimization. The Group promises to continuously tap the growth opportunities available in the market. Barring any unforeseen circumstances, the Group expects better performance for the year ahead.

Sayed Mustafa Ali
Director
30 September, 2020

Strategy, objective and business model

The Group has been providing managed telecommunications services using the network infrastructure owned by other network operators to enable cost effective and rapid connectivity to large bandwidth consumers initially in Malaysia and subsequently within other Southeast Asian countries. The Group aims to be a leading regional network telecommunications provider offering connectivity and selling managed network services across Southeast Asia. The Group's service offering and the construction of its overlay network will require low capital expenditure and management believe this will enable it to offer attractive pricing to customers in the region.

Fair review of business development and performance

The Group’s cash resources are sufficient for general corporate purposes and its operational activities such as the Group’s on-going operating costs and expenses including Directors’ fees and salaries.

The Group continues to keep administrative costs to a minimum.

The administrative expense of approximately £423,000 (2019: £359,000) and cash at bank balance of approximately £351,000 (2019: £529,000) whilst staging the company for operational roll out in FY 2020 with a motivated sales team and new customer acquisition.

Principal risks and uncertainties

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

- ***The Telecommunication sector***

The Group operates in a highly competitive and saturated market as the Group is not involved in building its own network infrastructure which would require significant capital expenditure. The Group will be dependent on entering into agreements with licensed network operators in the territories in which it operates in respect of their infrastructure in order to provide a managed service offering to customers and developing its own overlay network. The ability to establish a strong and diversified set of agreements with network operators is important to enable the Group to be able to offer competitive solutions for its customers.

In addition, the Group’s operation can be disrupted by a variety of tasks and hazards which are beyond its control such as governmental delays, increase in costs and the availability of equipment or services.

- ***The Group’s relationship with the Directors***

The Group is dependent on the Directors to identify potential business opportunities and to execute, and the loss of the services of the Directors could materially affect it.

- ***Business Strategy***

The Group is an entity with limited operating history. The Group may fail to execute its business plan or strategy that the Group will be unable to secure a customer base or to complete a business deal. This has been mitigated with experienced management, the recruitment of a high calibre sales team to secure revenue contracts and the board's regular review of the Group's business plan. The Group is also confident that its product has a better edge to support SMEs and will be able to support the target growth of the Group.

- ***COVID-19 Pandemic***

The COVID-19 virus led to movement controls in Malaysia from March 2020 onwards which have the impact including (i) staff may be unable to attend their normal place of work and fulfil their normal duties due to falling ill or being required to self-isolate: (ii) the efficiency of our operation may be reduced; (iii) the various providers of 3rd party infrastructure used to supply our services may be unable to cope with the increased demands placed upon them.

These are mitigated by: (i) the Group has proven technology to enable most employees to carry out their duties remotely; (ii) the Group has a strong balance sheet with no gearing, and be able to access equity financing (if required) to cover any temporary pressure on working capital.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual rights and obligations

Going concern

As described in note 2, these financial statements have been prepared on a going concern basis. After making due enquiry, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 month from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Capital and returns management

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy.

Section 172 Report

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

The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is reported for the first time, explains how Directors:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The need to act fairly as between members of the company

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

Culture

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

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

Stakeholder engagement (including employee engagement)

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

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

To support strengthening the Board's knowledge of the significant levels of engagement undertaken by the broader business, guidance on information, proposals or discussion items provided to the Board was updated in 2020 to further promote and focus considerations of the views, interests and concerns of our stakeholders and how these were considered by Management. The Board also engaged with certain stakeholders directly, to understand their views.

Sayed Mustafa Ali
Director
30 September, 2020

Directors' report

The Directors present their report together with the audited financial statements of the Company and its subsidiary undertaking (together with the "Group") for the year ended 31 March 2020.

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

Results and dividends

The results for the reporting year are set out in the Statement of Comprehensive Income on page 24. The Directors do not recommend the payment of a dividend on the ordinary shares.

Directors

The Directors of the Company during the year were:

Sayed Mustafa Ali	
Ross Andrews	
Leon Santos	
Mark Richard Logan Pincock	(resigned - 25 October 2019)
Wong Chee Keong	(appointed - 9 April 2020)

Directors' interest

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

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

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

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

Liability insurance for Company officers

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

Dividend policy

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

Substantial shareholders

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at 31 March 2020.

Shareholder name	Number of ordinary shares	Percentage of share capital
VCB A.G.	1,000,000	10.00%
Nordic Alliance Holding Limited	600,000	6.00%
Eastman Ventures Limited	600,000	6.00%
Belldom Limited	450,000	4.50%
Link Summit Limited	425,000	4.30%
Infinity Mission Limited	400,000	4.00%
Peel Hunts Holdings Limited	300,000	3.00%

Financial risk management and future development

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

Events after the reporting date

Events after the reporting date have been disclosed in note 22 to the financial statements.

Employee and Greenhouse Gas (GHG) Emissions

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

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

Auditors

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

Auditors and disclosure of information

The directors confirm that:

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

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

This was approved by the Board of Directors on 30 September 2020 and is signed on its behalf by;

Sayed Mustafa Ali
Director
30 September 2020

Corporate governance

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

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

Board of directors

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

The table below sets out the board meetings held by the Company for the year ended 31 March 2020 and attendance of each director:

	Board meetings
Sayed Mustafa Ali	3 / 3
Mark Richard Logan Pincock	2 / 2
Ross Andrews	3 / 3
Leon Santos	3 / 3

Audit committee

The audit committee, which is chaired by Ross Andrews, comprises both independent non-executive directors. The Board is satisfied that Ross Andrews has recent and relevant financial experience to guide the committee in its deliberations.

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

The Audit Committee is responsible for:

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

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

<u>Remuneration committee</u>

The remuneration committee also consists of both non-executive directors and is chaired by Leon Santos. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

The Directors' Remuneration Report is presented on page 16 to 17.

<u>Nominations committee</u>

Following of the resignation of Mark Pincock, Sayed Mustafa Ali will chair the nominations committee which also consists of both independent non-executive directors. The nomination committee meets, when required, to examine the selection and appointment practises in meeting the company's need. No such meeting took place during the year.

<u>Internal financial control</u>

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

Key financial processes include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the board;
- evaluation, approval procedures and risk assessment required close involvement of the chief executive in the day-to-day operational matters of the company.

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

Relations with shareholders

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

The presentations are given to institutional investors by the chairman when requested, normally following the publication of the Company's results, when the annual reports are delivered to all shareholders. The results of such meetings are discussed with board members to assist them in understanding the views of investors and others.

Statement of Directors' Responsibilities

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

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

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

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

Website publication

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

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

The Directors are responsible for preparing the Financial Statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ("DTR") and with International Financial Reporting Standards as adopted by the European Union.

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

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

Directors' Remuneration Report

The Directors' Remuneration Report sets out the Company's policy on the remuneration of Directors together with the details of Directors' remuneration packages and services contracts for the period 1 April 2019 to 31 March 2020.

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

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

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

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

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

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

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

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

Terms of employment

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

Wong Chee Keong has been appointed by the Company to act a non-executive director under a service agreement dated 9 April 2020. His appointment commenced on 9 April 2020 and is terminable on six months' written notice on either side. He is entitled to a fee of RM120,000 (approximately £22,700) per annum.

Ross Andrews has been appointed by the Company to act as a non-executive director under a service agreement dated 12 October 2017. His appointment commenced on 12 October 2017 and is terminable on three months' written notice on either side. He is entitled to a fee of £20,000 per annum.

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

Policy for new appointments

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

Directors' emoluments and compensation

Directors' emoluments for the year ended 31 March 2020 are set out in note 15.

Statement of Directors' shareholding and share interest

The Directors who served during the year ended 31 March 2020, and their interests at that date, are disclosed on Page 9. There were no changes between the reporting date and the date of approval of this report.

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

Other Matters

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

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

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

Approved on behalf of the Board of Directors.

Leon Santos
Chairman, Remuneration Committee
30 September 2020

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ORIENT TELECOMS PLC

Opinion

We have audited the financial statements of Orient Telecoms Plc (the "Company") and its subsidiary (the "Group") for the year ended 31 March 2020, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 March 2020;
- the consolidated and the Company statements of financial position as at 31 March 2020;
- the consolidated statements of cash flows for the year ended 31 March 2020;
- the consolidated and the Company statements of changes in equity for the year then ended; and
- notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 31 March 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance United Kingdom Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

Materiality

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

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £12,000 (2019: £12,000), based on 3% of the Group’s net assets at the year end.

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

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

We agreed with the Audit Committee to report to it all identified errors in excess of £360 (2019: £360). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Company is accounted for from one central operating location based in Kuala Lumpur, Malaysia where all the Group’s records were maintained.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at the significant component by us, as the primary audit engagement team. For the full scope component in Malaysia, where the work was performed by a member firm of Crowe Global Network, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

We engaged with the component auditor at all stages during the audit process and directed the audit work on the non-UK subsidiary undertaking. We directed the component auditor regarding the audit approach at the planning stage, issued instructions that detailed the significant risks to be addressed through the audit procedures and indicated the information we required to be reported on. At the planning stage, due to quarantine restrictions imposed by the Covid-19 pandemic, we determined that the audit team would maintain communication with the component auditor and undertake remote audit file reviews in the current circumstances. We therefore discussed key findings directly with the component audit team and concluded on significant issues.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Revenue recognition The Group enters into a range of client contract types. The revenue recognition policy varies depending on the underlying contract and could result in revenue being recognised at a point in time or over time where certain conditions are met.	Our audit procedures included the following: We carried out procedures to test the revenue and to consider whether the application of the revenue recognition policy was appropriate, having regard to the contractual terms and service obligations. We agreed the performance obligations identified by management to a sample of contracts to ensure the adopted accounting policy was appropriate. For a sample of transactions, we selected contracts with the customers and reviewed their terms and conditions. Based on this understanding, we considered if the underlying income was recognised in accordance with the stated accounting policy and IFRS 15.
Going concern, COVID-19 impact assessment The risk that the COVID-19 pandemic and the resulting economic consequences would adversely impact on the Group and its ability to operate as a going concern was considered to be a key audit matter.	Note 2 of the Group financial statements At 31 March 2020 the Group had cash and cash equivalents of £351,000 (2019: £529,000). We obtained management's assessment of the impact of COVID-19 on the business of the Group and the re-forecast financial projections. We performed audit procedures, including challenge regarding reasonableness on the inputs into the model as follows: • reviewed the revised forecast revenues and resulting cash flows within the assessment period; • compared the re-forecast to available management information for the business in July 2020; and • reviewed and challenged the financial impact of the steps taken by the directors to protect and manage the business during the coming period, including the introduction of overhead reductions and suspension of certain capital investment projects. We considered management's sensitivity analysis and also performed an additional range of sensitivities to assess whether a reasonably likely change to a key input would result in an erosion of revised headroom in the re-forecast. We tested to ensure the mathematical accuracy of the model presented.

	We reviewed the appropriateness of the disclosure made and its consistency with our knowledge of the business and its COVID-19 impairment assessment.

Our audit procedures in relation to the matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on the matter individually and we express no such opinion.

Other information

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

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We gained an understanding of the legal and regulatory framework applicable to the Group and the Company and considered the risk of acts by the Group and the Company which were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment

Our tests included, but were not limited to: review of the financial statement disclosures to underlying supporting documentation and enquiries of management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Other matters which we are required to address

We were appointed by the Board on 10 July 2017 to audit the financial statements for the year ended 31 March 2017. Our total uninterrupted period of engagement is 4 years, covering the period ended 31 March 2017 until the year ended 31 March 2020.

The provision of non-audit services to the company is prohibited under the FRC's Ethical Standard. We confirm that we have not provided any non-audit services to the Company during the financial year ended 31 March 2020 and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Leo Malkin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

30 September 2020

ORIENT TELECOMS PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Revenue	4	600,596	218,822
Direct cost		(187,403)	(75,153)
GROSS PROFIT		413,193	143,669
Administrative expenses	5	(423,392)	(358,717)
OPERATING LOSS		(10,199)	(215,048)
Finance income		4,879	2,068
Finance cost		(8,595)	-
LOSS BEFORE TAXATION		(13,915)	(212,980)
Income tax expense	6	-	-
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(13,915)	(212,980)
OTHER COMPREHENSIVE INCOME			
Items that will or may be reclassified to profit or loss:			
Translation of foreign operation		15,793	(11,721)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		1,878	(224,701)
Basic and diluted profit/(loss) per share (pence)	7	(0.14)	(2.12)

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

All amounts are derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	As at 31 March 2020 £	As at 31 March 2019 £
ASSETS			
NON-CURRENT ASSET			
Right-of -use asset	8	70,765	-
CURRENT ASSETS			
Trade and other receivables	9	229,092	230,011
Bank	10	350,692	529,278
		579,784	759,289
TOTAL ASSETS		**650,549**	**759,289**
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	11	1,000,000	1,000,000
Translation reserve		4,072	(11,721)
Accumulated loss		(604,819)	(589,509)
		399,253	398,770
CURRENT LIABILITIES			
Trade and other payables	12	177,471	360,519
Lease liability	13	73,825	-
		251,296	360,519
TOTAL EQUITY AND LIABILITIES		**650,549**	**759,289**

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

This report was approved by the board and authorised for issue on 30 September 2020 and signed on its behalf by;

………………………

Sayed Mustafa Ali
Director

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Cash flow from operating activities		
Loss before tax	(13,915)	(212,980)
Adjustment for:		
Unrealised exchange gain	15,793	-
Depreciation of right-of-use-assets	94,354	
Finance income	(4,879)	(2,068)
Interest on lease liabilities	8,595	
	99,948	(215,048)
Changes in working capital		
Trade and other receivables	919	(17,097)
Amount due to related companies	-	45,283
Trade and other payables	(184,785)	(37,315)
Cash flow from operations	(83,918)	(224,177)
Interest received	4,879	2,068
Net cash outflow from operating activities	**(79,039)**	**(222,109)**
Cash flow from financing activities		
Interest paid	(8,595)	-
Repayment on lease liability	(92,690)	-
Net cash outflow from financing activities	**(101,285)**	**-**
Net movement in cash and cash equivalents	**(180,324)**	**(222,109)**
Cash and cash equivalents at beginning of period	529,278	751,387
Exchange gain on cash and cash equivalents	1,738	-
Cash and cash equivalents at end of period	**350,692**	**529,278**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £	Translation reserve £	Accumulated loss £	Total £
As at 31 March 2018	1,000,000	-	(376,529)	623,471
Translation of foreign operation	-	(11,721)	-	(11,721)
Loss during the year	-	-	(212,980)	(212,980)
Total comprehensive loss for the year	-	(11,721)	(212,980)	(224,701)
As at 31 March 2019	1,000,000	(11,721)	(589,509)	398,770
Initial application of IFRS 16			(1,395)	(1,395)
As at 31 March 2019 (Restated)	1,000,000	(11,721)	(590,904)	397,375
Translation of foreign operation	-	15,793	-	15,793
Loss during the year	-	-	(13,915)	(13,915)
Total comprehensive loss for the year	-	15,793	(13,915)	1,878
As at 31 March 2020	1,000,000	4,072	(604,819)	399,253

1. GENERAL INFORMATION

The Company was incorporated in England and Wales on 26 February 2016, as a public company limited by shares under the UK Companies Act 2006. The registered office of the Company is at the offices of London Registrar, Suite A, 6 Honduras St, London EC1Y 0TH United Kingdom.

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

2. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use by the European Union (EU) and IFRIC interpretations applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified for financial assets carried at fair value.

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

Going concern

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

The outbreak of COVID-19 in early 2020 has affected the business and economic environments of the Group. Different measures taken by the governments and various private corporations to prevent the spread of the virus such as travel bans, closures of non-essential services, social distancing and home quarantine requirements may impact consumers' spending pattern and the Group's operations directly or indirectly which may affect operating cash flows and liquidity.

In addition, the COVID-19 pandemic may also affect the recoverability of Group's financial assets that are subject to the expected credit loss assessment, and carrying amounts of investments, if any, in the future. Given the widespread nature of the outbreak and the unpredictability of future development of COVID-19, the Group believes it has considerable financial resources together with a diverse corporate customer base and long standing relationship with a number of key suppliers. As a consequence, the directors believe that the Company is well placed to manage its business risks.

The Group had a cash balance of £350,692 at the reporting date and the cash balance was approximately £375,000 at 30 July 2020, which the Directors believe will be sufficient to pay its ongoing expenses and to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. These financial statements have been prepared on a going concern basis at the end of reporting period.

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

Standards and interpretations issued but not yet applied

A number of new standards and amendments to standards and interpretations have been issued by International Accounting Standards Board but are not yet effective and in some cases have not yet been adopted by the EU. The Directors do not expect that the adoption of these standards will have a material impact on the financial statements of the Group in future periods.

During the year, the Group adopted the following new standards, amendments and interpretations with a date of initial application of 1 January 2019. The impact of these adopted standards is described as follow:

a) IFRS 16, Leases

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information. An adjusted position at 1 January 2019 is presented in the Consolidated Statement of Changes in Equity, in order to reflect the prior period impact of transition to IFRS 16 on brought forward balances at that date. On transition to IFRS 16, the Group recognised a right-of-use asset and a lease liability in relation to its operating lease on an office in Kuala Lumpur, Malaysia. The difference between these items was recognised in retained earnings at 1 April 2019. The impact on transition is summarised below:

	£
Operating lease commitments disclosed on 31 March 2019	(186,200)
Discounted using weighted average of Group’s incremental borrowing rate	19,685
Lease liability recognised as at 1 April 2019	(166,515)

	1 April 2019 £
Right-of-use asset	165,120
Lease liability	(166,515)
Retained earning	1,395

When measuring the lease liability, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The rate applied is 6.9%.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group.

Taxation

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

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

The carrying amount of deferred income tax assets is assessed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that is probable that future taxable profits will allow the deferred income tax asset to be recovered.

Foreign currency

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

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

Financial instruments

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

Loan and receivables

Loans and receivables are Loans and receivables are held with an objective to collect contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and other receivables.

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost, less any impairment losses.

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

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

Trade and other payables

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

Cash and cash equivalents

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

Leases

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

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

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

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

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

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

Accounting Policies Applied Until 31 March 2019

Operating Leases

All leases that do not transfer substantially to the Company all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Company.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Operating segments

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

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

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Lease liability discount rate
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the

funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

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

The Group used incremental borrowing rates at a prevailing rate of 6.9%.

4. REVENUE

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Revenue	600,596	110,286
Commission income	-	108,536
	600,596	218,822

Revenue from the rendered of managed telecommunication services to the customers, the end users, which is recognised over the time when the service is performed.

The revenue is recognised based on the delivery of performance obligations and an assessment of when control is transferred to the customer. In determining the amount of revenue and profits to record, and associated statement of financial position items (such as trade receivables, accrued income and deferred income), management is required to review performance obligations within individual contracts.

For the year under review, the Group recognises that it acts as both an agent and a principal. The Group is a principal if it is responsible for the specified good or service before that good or service is transferred to a customer. The Group is an agent if it is not responsible for arranging for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer.

Between 1 July 2018 and 31 December 2018, the Group receives payment for services from channel partner who onwardly sell to end users. The channel partner is treated as the principal in that transaction because the channel partner has the primary responsibility for providing the services to the end user; the channel partner is free to establish its own prices with or without bundling with other goods or services which are not supplied by the Group; and the channel partner bears the credit risk for the amount receivable from the end user. Accordingly the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Subsequent to 31 December 2018, the Group operates as a principal through Orient BB Sdn Bhd, a newly incorporated wholly owned subsidiary undertaking, when the Group has identified that they are primarily the principal as it primarily controls the specified services before this is transferred to the customer, as the economic risk lies with the Group. The service revenue is therefore recognised over the contract period when the customer obtains control of the distinct service.

All revenue and commission income derived from South East Asian region. Revenue excludes value added tax and other sales taxes.

5. LOSS BEFORE TAXATION

The loss before income tax is stated after charging:

	Year ended 31 March 2020 £	Year ended 31 March 2018 £
Consultancy fee	21,580	4,000
Operating rental payments	-	59,930
Depreciation of right-of-use assets	94,354	-
Interest on lease liability	8,595	-
Auditors' remuneration:		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	22,000	21,000
Fees payable to the Group's subsidiary auditor for the audit of the subsidiary's annual accounts	4,918	2,000

6. INCOME TAX EXPENSE

The corporation tax in the UK applied during the year was 19% (2019: 19%).

The charge for the period can be reconciled to the loss in the Statement of Comprehensive income as follow:

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Loss before tax on continuing operations	(13,915)	(212,980)
Tax at the UK corporation tax rate	(2,644)	(40,466)
Tax effect of expenses that are not deductible in determining taxable profit	-	-
Unutilised tax loss carry forward	2,644	40,466
Tax charge for the period	-	-

The Group has accumulated tax losses of approximately £265,000 (2019: £271,000). No deferred tax asset has been recognised in respect of the losses carried forward, due to the uncertainty as to whether the Group will generate sufficient future profits in the foreseeable future to prudently justify this.

7. LOSS PER SHARE

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

Loss per share attributed to ordinary shareholders

	Year ended 31 March 2020	Year ended 31 March 2019
Loss for the year (£)	(13,915)	(212,980)
Weighted average number of shares (Unit)	10,000,000	10,000,000
Basic and diluted loss per share (Pence)	(0.14)	(2.12)

8. RIGHT-OF-USE ASSET

1/4/2019				
As previously reported	Initial application of IFRS 16	As restated	Depreciation charged	As at 31 March 2020
-	165,119	165,119	(94,354)	70,765

Analysed by:

Cost	188,707
Accumulated depreciation	(117,942)
	70,765

The comparative information is not presented as the Group has applied IFRS 16 using the modified retrospective approach.

The Group subsidiary leased an office which the subsidiary has entered into a non-cancellable operating lease agreement. The lease is for a period of 24 months operating lease agreement with an option to renew the lease for a further 12 months.

9. TRADE AND OTHER RECEIVABLES

	As at 31 March 2020 £	As at 31 March 2019 £
Trade receivables	210,224	16,159
Amount due from related company	-	212,914
Other receivables	18,868	938
	229,092	230,011

As the group has no overdue trade receivables the assessed expected credit loss is not material and is not recognised in these financial statements

10. BANK

Cash and cash equivalents are denominated in the following currencies:

	As at 31 March 2020 £	As at 31 March 2019 £
Great Britain Pound	20,703	18,975
Singapore Dollar	19,514	19,514
United States Dollar	26,667	26,667
Malaysia Ringgit	283,808	464,122
	350,692	529,278

11. SHARE CAPITAL

Ordinary shares of £0.10 each

	Number of shares	Amount £
Issued and paid up		
At 31 March 2019 and 31 March 2020	10,000,000	1,000,000

At 31 March 2020, the total issued ordinary share of the Group were 10,000,000.

12. TRADE AND OTHER PAYABLES

	As at 31 March 2020 £	As at 31 March 2019 £
Amount due to related company	89,674	302,588
Amount due to directors	4,166	-
Trade creditors	35,847	-
Accruals	33,800	55,431
Other payables	13,984	2,500
	177,471	360,519

13. LEASE LIABILITY

	As at 31 March 2020 £
At 1st April 2019	
- As previously reported	-
- Initial application of IFRS 16	166,515
As restated	166,515
Interest expense recognised in profit or loss	8,595
Repayment of principal	(92,690)
Interest expense paid	(8,595)
	73,825
Lease liabilities are payable as follow:	
Less than one year	73,825

The comparative information is not presented as the Company has applied IFRS 16 using the modified retrospective approach.

14. SUBSIDIARY UNDERTAKING

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

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

Below is the registered address of the subsidiary undertakings.

Orient BB Sdn. Bhd.	28, 3rd Floor, Lorong Medan Tuanku Satu, 50300, Kuala Lumpur, Malaysia

15. EMPLOYEES AND DIRECTORS' EMOLUMENTS

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Staff costs (include directors)	192,216	200,366

Directors fee during the year

	Year ended 31 March 2020	Year ended 31 March 2018
	£	£
Mark Richard Logan Pincock	8,750	15,000
Sayed Mustafa Ali	15,000	15,000
Ross Andrews	19,992	19,992
Leon Santos	15,000	15,000
	58,742	64,992

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

The average monthly number of employees, including directors, during the year were 11 (2019: 16).

16. SEGEMENTAL ANALYSIS

The chief operating decision maker has been identified as the management team including the two main directors and two non-executive directors. The chief operating decision-maker allocates resources and assesses performance of the business and other activities at the operating segment level.

The chief operating decision maker has determined that in the year end 31 March 2020, the Group had a single operating segment, the provision of managed telecommunications services.

Apart from holding Group activities in the UK the Group's had operation in Malaysia in the reporting year.

There are 3 customers with revenue greater than 10% during the reporting year.

17. FINANCIAL INSTRUMENTS

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

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

	As at 31 March 2020 £	As at 31 March 2019 £
Financial assets		
Loans and receivables		
Cash and cash equivalent	350,692	529,278
Trade and other receivable	229,092	230,011
Total financial assets	579,784	759,289
Financial liabilities at amortised cost		
Amount due to related company	89,674	302,588
Amount due to directors	4,166	-
Trade and other payables	83,631	57,931
Lease liability	73,825	-
Total financial liabilities	251,296	360,519

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

18. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

a) Currency risk

The Group has transactional currency exposures arising from sales, and expenses that are denominated in a currency other than in Pounds Sterling. The foreign currency in which these transactions are denominated is mainly Ringgit Malaysia ("RM").

All of the Group's sales are denominated in foreign currencies whilst all of the Group's trade receivables are denominated in foreign currencies. The Group also holds cash and cash equivalents denominated in foreign currencies, predominantly in RM, for working capital purposes.

At the reporting date, the Group's financial instruments are denominated in RM at each reporting year:

	At 31 March 2020 £	At 31 March 2019 £
Financial assets		
Loans and receivables		
Cash and cash equivalent	283,808	464,122
Trade and other receivable	60,412	17,098
Total financial assets	344,220	481,220
Financial liabilities at amortised cost		
Trade and other payables	20,534	17,682
Lease liability	73,825	-
Total financial liabilities	94,359	17,682
Net financial asset	249,861	463,538

If the GBP strengthened or weakened by 5% against the RM, with all other variables in each cast remaining constant, then the impact on the group's post-tax profit for the year would be loss of approximately £12,000 (2019: loss of £22,000).

b) Credit risk

The Group's credit risk is primarily attributable to deposit with banks and credit exposures to customer or counterparty. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis. The Group manages its deposits with reputable licensed banks and financial institutions by monitoring credit ratings and limiting the aggregate risk to any individual counterparty.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including the amount due from related company). At 31 March 2019 and 2020, Group exposes net amount due to the related company (see note 20).

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. The Group ensures it has adequate resource to discharge all its liabilities. The directors have considered the liquidity risk as part of their going concern assessment. (See note 2).

The maturity of the Group's financial liabilities at the statement of financial position date, based on the contracted undiscounted payments as disclosed in note 17, falls within one year and payable on demand.

Fair values

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

19. CAPITAL MANAGEMENT POLICY

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of the equity attributable to equity holders of the Group which comprises of issued share capital and reserves.

20. RELATED PARTY TRANSACTIONS

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

In 2017, Orient Managed Services Limited entered into an agreement with a third party which provides consultancy services in relation to the listing exercise of the Group. Orient Management Services Limited is partly owned by Sayed Mustafa Ali, a director of the Group.

	31 March 2020 £	31 March 2019 £
Net amount due to related party		
- Orient Managed Services Limited	44,391	44,391
- Orient Telecoms Sdn Bhd	45,283	45,283
Amount due to directors		
- Sayed Mustafa Ali	1,250	-
- Ross Andrews	1,666	-
- Leon Santos	1,250	-
	4,166	-

The amount due to related party is interest-free and they are payable on demand.

	31 March 2020 £	31 March 2019 £
Transaction with Orient Telecoms Sdn Bhd		
- Commission income	-	108,537
- Overhead costs settled on behalf by related party	-	(153,820)

Sayed Mustafa Ali is a director of the Company, Orient Telecoms Sdn Bhd. and Orient Management Services Limited.

21. CONTROL

The directors consider there is no ultimate controlling party.

22. SUBSEQUENT EVENTS

There were no subsequent events after the reporting period.

ORIENT TELECOMS PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2020

	Notes	As at 31 March 2020 £	As at 31 March 2019 £
ASSETS			
NON CURRENT ASSETS			
Investment in subsidiary	4	366,696	500,000
CURRENT ASSETS			
Bank		66,884	65,156
Trade and other receivables	5	168,680	212,914
		235,564	278,070
TOTAL ASSETS		602,260	778,070
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		1,000,000	1,000,000
Accumulated loss		(554,677)	(564,767)
TOTAL EQUITY		445,323	435,233
CURRENT LIABILITIES			
Trade and other payables	6	156,937	342,837
TOTAL EQUITY AND LIABILITIES		602,260	778,070

The profit for the Company for the year ended 31 March 2020 was £10,090 (2019: loss of £188,238).
The notes to the financial statements form an integral part of these financial statements.
This report was approved and authorised for issue by the Board of Directors on 30 September, 2020 and signed on behalf by:

Sayed Mustafa Ali
Director

Registered number: 10028222

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £	Accumulated loss £	Total £
As at 31 March 2018	1,000,000	(376,529)	623,471
Loss during the year	-	(188,238)	(188,238)
Total comprehensive loss for the year	-	(188,238)	(188,238)
As at 31 March 2019	1,000,000	(564,767)	435,233
Profit during the year	-	10,090	10,090
Total comprehensive income for the year	-	10,090	10,090
As at 31 March 2020	1,000,000	(554,677)	445,323

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

Retained earnings represent the aggregate retained earnings of the Company.

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

1. General information

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

2. Accounting policies

Basis of preparation

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

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

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

Investment

Investments in subsidiaries are stated at cost less provision for impairment.

Cash and cash equivalents

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

Financial assets

The directors classify the Company's financial assets as loans and receivables held at amortised cost less provisions for impairment.

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

Financial liabilities

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

Creditors

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

Taxation

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

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

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

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

3. Staff costs

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

4. Investment in subsidiary

	Cost of investment £	Loan to group undertaking £	Total £
Addition	93,800	-	93,800
Advance loan to group undertaking	-	406,200	406,200
Balance as at 1 April 2019	93,800	406,200	500,000
Repayment of intercompany loan	-	(133,304)	(133,304)
	93,800	272,896	366,696

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

5. Trade and other receivables

	As at 31 March 2020 £	As at 31 March 2019 £
Amount due from related company	-	212,914
Amount due from trade receivables	168,680	-
	168,680	212,914

The detail of the related company is set out in the note 20 to the consolidated financial statements.

6. Trade and other payables

	As at 31 March 2020 £	As at 31 March 2019 £
Amount due to related company	89,674	302,588
Amount due to directors	4,166	-
Trade creditors	35,847	-
Accruals	27,250	37,749
Other payables	-	2,500
	156,937	342,837

7. Share capital

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

At 31 March 2020, the total number of issued ordinary shares of the Company was 10,000,000.