



PREMIER SWITCH SOLUTION SHARE COMPANY

INDEPENDENT AUDITORS' REPORTS AND FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Tolessa Beyene Certified Audit Firm

Ababa, Ethiopia

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PREMIER SWITCH SOLUTIONS SHARE COMPANY
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FOR THE YEAR ENDED 30 JUNE 2022

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**PREMIER SWITCH SOLUTIONS SHARE COMPANY
DIRECTORS, BANKERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE
FOR THE YEAR ENDED 30 JUNE 2022**

Board Directors (as at June 30, 2022)

Ato Tschay Shiferaw	Chairman
Ato Solomon Goshime	Director
Ato Taye Dibekulu	Director
Ato Yohans Merga (M/S Awash Bank)	Director
Ato Genene Ruga (M/S Nib Int. Bank)	Director
Ato Melaku Kebede (M/S United Bank)	Director
Ato Hailu Alemu (M/S Addis Int. Bank)	Director
Ato Efrom Hailemariam	Board secretary

Executive Management (as at June 30 2022)

Ato Yoseph Kibret	Chief Executive Officer
Ato Ayenew Wudu	D/Chief Executive Officer
Ato Elias Mitiku	Manager, Administration and Finance Department
Ato Brook Eshetu	A/Manager, Information Technology Department
W/rt Tizita Goytabe	A/Manager, Marketing & Operation department

Independent Auditor

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P.O.Box
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+ 251911480094
Addis Ababa
Ethiopia

Principal Banker

Awash Bank, Finfine Branch
Berhan Bank, Bole Branch
Cooperative Bank Of Oromia, Finfine Branch
Nib Bank, Head Office Branch
United Bank , Beklobet Branch
Addis Bank , Main Branch
Commercial Bank Of Ethiopia , Senga Tera branch
Addis Ababa
Ethiopia

Business Office

Post Office Box 14805
Email: admin@pss.com.et
Kirkos Sub-city , Wereda 07
Addis Ababa
Ethiopia



**PREMIER SWITCH SOLUTIONS SHARE COMPANY
STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2022**

The management of the company is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and other applicable laws and regulation.

In preparing the financial statements of the Company, the managements are required to:

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgments and accounting estimates that are reasonable and prudent;
- c. State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- e. Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- f. Provide additional disclosures when compliance with the specific requirements in IFRS sufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- g. Make an assessment of the Company's ability to continue as a going concern.

The Managements are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the

- h. Company and enable them to ensure that the financial statement comply with the commercial code of Ethiopia. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement

We confirm that to the best of our knowledge:

- i. The financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position, profit and loss and cash flows of the Company;
- ii. Nothing has come to our attention to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Signed on behalf of the Company by:


Yoseph Kibret
Chief Executive Officer


Elias Mitiku
Finance & Administrative Manager

Tolessa Beyene Certified Audit Firm

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Nifas Silk Lafto Sub city
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5th Floor, Office No.502B

INDEPENDENT AUDITOR'S REPORT

To: THE SHARE HOLDERS OF PREMIER SWITCH SOLUTIONS SHARE COMPANY

Report on the Audit of the Financial Statements

Unqualified Opinion

We have audited the accompanying financial statements of **PREMIER SWITCH SOLUTIONS SHARE COMPANY** set out on pages 4 to 33, which comprise the Statement of Financial Position as at 30 June 2022, and the Statement of Profit and Loss and Other Comprehensive Income, statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.



Independent Auditor's Report (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from a material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



Independent Auditor's Report (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We remain solely responsible for our audit opinion

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

The engagement partner on the audit resulting in this independent auditor's report is Tolessa Beyene Hirpa (M.Sc., FCCA).

Report on other legal and regulatory requirement

We have no comment to make on the report of the directors so far as it related to these financial statements and pursuant to the commercial code of Ethiopia, recommended approval of the above mentioned financial statements.

Tolessa Beyene
Certified Audit Firm
Addis Ababa, Ethiopia

3 October 2022



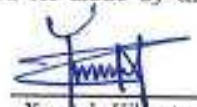
PREMIER SWITCH SOLUTIONS SHARE COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

Item	Notes	BIRR	2021 BIRR
Assets			
Non-current assets			
Property, plant and equipment	5	49,898,204.39	42,659,163.20
Intangible assets	6	18,148,494.89	13,114,051.19
Right use of asset	6.1	3,586,637.47	3,720,119.80
Deferred tax asset	12,c	4,216,561.84	-
Total non current assets		75,849,898.59	59,493,334.19
Current assets			
Inventories	7	2,543,694.00	-
Trade and other receivables	8	41,625,402.08	44,819,930.74
Short term investments		80,527,320.00	73,527,320.00
Withholding receivable		1,272,046.19	3,866,787.31
Profit tax overpaid	12,d	1,201,846.22	626,071.96
Cash and cash equivalents	9	17,281,646.49	3,773,273.01
Total current assets		144,451,954.98	126,613,383.02
Total assets		220,301,853.57	186,103,435.47
Equity and liabilities			
Equity			
Paid up Capital	13	149,402,000.00	149,402,000.00
Retained earnings	14	24,088,664.11	5,074,134.27
Non-distributable retained earnings		13,915,275.19	14,499,150.47
Legal Reserve		2,893,752.53	1,625,928.10
Total equity		190,299,691.83	170,601,212.84
Liabilities			
Non-current liabilities			
Severance pay payable	11,a	2,440,712.43	1,374,243.27
Deferred tax liability		-	872,653.27
Lease obligation	6.1	3,706,156.58	3,206,908.80
Total non current liabilities		6,146,869.01	5,453,805.34
Current liabilities			
Trade payables and Other payables	10	23,855,292.73	10,047,957.48
Profit tax payable	12,d	-	-
		23,855,292.73	10,047,957.48
Total liabilities		30,002,161.74	15,501,762.82
Total equity and liabilities		220,301,853.57	186,103,435.47

The accompanying notes are an integral part of these financial statements.

The financial statements on pages 4 to 7 were approved and authorized for issue by the management on October 3, 2022 and were signed on its behalf by:


Tsehay Shiferaw
Board Chairman


Yoseph Kibret
Chief Executive Office



PREMIER SWITCH SOLUTIONS SHARE COMPANY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

Item	Notes	BIRR	2021 BIRR
Revenue			
Income	15	157,323,484.53	57,503,963.56
Cost of providing services	17	(46,306,115.02)	(8,659,175.87)
Gross Profit		111,017,369.51	48,844,787.69
Other income	16	668,148.76	39,225.64
		111,685,518.27	48,884,013.33
Expense			
Personnel Expense	18	30,310,369.93	19,031,918.39
Other Operating and administrative Expense	19	65,481,747.12	35,641,754.87
Total Expense		95,792,117.05	54,673,673.26
Operating profit		15,893,401.22	-5,789,659.93
Finance income	20	8,513,929.84	8,849,131.15
Finance cost	20	(220,641.32)	(21,918.55)
Finance cost-net		8,293,288.52	8,827,212.60
Profit(loss) before tax		24,186,689.74	3,037,552.67
Income tax expense	12,c	1,169,798.80	(2,090,930.94)
Profit(loss) for the year		25,356,488.54	946,621.73
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified subsequently to profit or loss			
Remeasurement gain/(loss) on retirement benefits obligations	11,c	(834,107.55)	482,721.43
Deferred tax (liability)/asset on remeasurement gain or loss		250,232.26	(144,816.43)
Available-for-sale financial assets - net change in fair value		-	0.00
Other comprehensive income, net of tax		(583,875.28)	337,905.00
Total comprehensive income(loss)		24,772,613.25	1,284,526.73
Basic earnings per share			
	13,b	169.72	6.34

The accompanying notes are an integral part of these financial statements.



PREMIER SWITCH SOLUTIONS SHARE COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Birr	2,021 Birr
Cash flows from operating activities			
Profit before tax		24,186,689.74	3,037,552.67
Adjustments for non-cash income and expenses:			
Add: Severance pay expense	11,g	610,086.83	349,041.14
Less: Severance amount paid		(377,725.21)	(347,990.59)
Less: Directors Allowance Paid		(507,413.43)	-
Add: Depreciation and Amortization	5 & 6	13,297,443.17	10,279,450.09
Add: Asset use right amortization	19	1,765,592.23	1,806,761.00
Add: Cash collected from tax return		827,325.13	-
Less: Prior years tax adjustment		(56,365.96)	-
Less: Gain on disposal		-	(35,246.00)
Add; Advance Cash collected from customers		1,595,347.82	-
Changes in operating assets and liabilities:			
(Increase) Decrease in trade and other receivables	8	3,194,528.66	(14,596,869.10)
(Increase) Decrease in inventories		(2,543,694.00)	-
Increase (Decrease) in trade and other payables	10	13,807,335.25	(1,512,962.60)
Withholding tax paid		(4,244,957.99)	(1,215,681.00)
Net cash from (used in) operating activities		51,554,192.24	(2,235,944.39)
Cash flows from investing activities			
Addition of fixed assets		(14,673,774.61)	(17,156,777.74)
Additional software modules		(10,900,434.42)	(419,198.12)
Additional short term investment		(7,000,000.00)	-
Investment collected		-	5,472,680.00
Proceeds from sale of Non-current assets		-	70,202.16
Net cash from (used in) investing activities		(32,574,209.03)	(12,033,093.70)
Cash flows from financing activities			
Add: Interest expense for leased assets	20	220,641.32	21,918.55
Less: Additional capital raised		-	-
Less: Lease payment	5 & 6	(1,132,862.62)	(301,380.00)
Less; taxes paid based on audit finding		-	(1,830,157.14)
Add: Prior period adjustment		7,332.41	159.02
Less; taxes paid on 2020 undistributed profit		-	(54,905.52)
Less: Dividends paid		(4,566,720.84)	(1,692,304.27)
Net cash from (used in) financing activities		(5,471,609.73)	(3,856,669.36)
Net increase (decrease) in cash and cash equivalents		13,508,373.48	(18,125,707.00)
Cash and cash equivalents at beginning of year		3,773,273.01	21,898,980.00
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at end of year		17,281,646.49	3,773,273.01
Components of Cash and Cash Equivalent at end of the year			
Cash at Bank		17,281,631.53	3,770,327.75
Cash on hand		14.96	2,945.26
Total Net Cash and cash Equivalent at end of the year		17,281,646.49	3,773,273.01

The accompanying notes are an integral part of these financial statements.



**PREMIER SWITCH SOLUTIONS SHARE COMPANY
STATEMENT OF CHANGES IN OWNER'S EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Paid up capital	Retained Earnings	Non-distributable retained earnings	OCI Reserve	Legal Reserve	Total
Balance as at 1 July 2021	149,402,000.00	5,074,134.27	14,240,015.63	259,134.84	1,625,928.10	170,601,212.84
Profit (loss) for the year	-	25,356,488.54	-	-	-	25,356,488.54
Transfer to legal reserve	-	(1,267,824.43)	-	-	1,267,824.43	0.00
Current OCI	-	-	-	(583,875.28)	-	-583,875.28
Dividend paid	-	(4,566,720.84)	-	-	-	-4,566,720.84
Directors' Allowance	-	(507,413.43)	-	-	-	-507,413.43
Balance as at 30 June 2022	149,402,000.00	24,088,564.11	14,240,015.63	-324,740.44	2,893,752.53	190,299,691.83

The accompanying notes are an integral part of these financial statements.

