InfoSystems & DigiConsult are engaging Public and Private sector organisations to strenghen their technological capacity to move towards more sustainable patterns on consumption and production.

DigiConsult and Ventures will seek financial and technical assistance to assist clients design buildings that are sustainable, resilient and energy efficient, utilising local materials.

Reporting

CFO's Review

Profitability

Anglo African Investments Ltd and its subsidiaries achieved an excellent performance for FY2018. Group profit after tax from continuing operations (PAT) reached MUR 22.6Mn in FY2018, a growth of 64% compared to FY2017. The contribution by each line of business to Group PAT is shown in Table 1.

Infosystems group

The Information Technology operations, including software development and datacom business, has achieved a 27% growth in revenue compared to last year to reach MUR 272.8Mn in FY2018. Revenue from outside Mauritius thus represented 48% of the total revenue of Infosystems group. Gross profit increased from MUR 44.0Mn in FY2017 to MUR 55.6Mn for the current year.

Administrative expenses decreased by MUR 3.0Mn, despite an 11% increase in staff costs, mainly because of a drop in fees paid for shared services after the group re-organisation. Profit after tax of Infosystems group doubled from MUR 7.7Mn last year to MUR 15.2Mn in FY2018, thus contributing to 67% of the Group's net profit. Net profit margin achieved for FY2018 was 6% compared to its target of 5%.

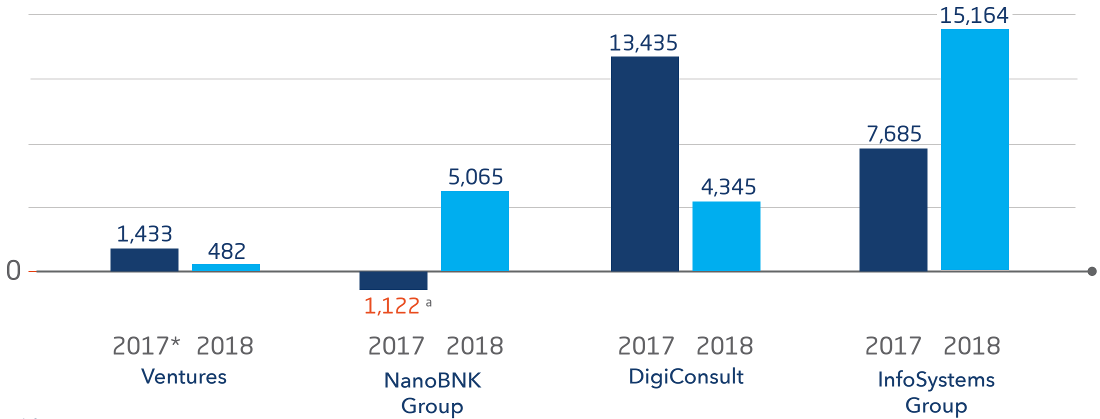
DigiConsult

Revenue of DigiConsult, excluding datacom business which has been transferred to Infosystems in FY2018, fell from MUR 54.1Mn last year to MUR 29.3Mn in FY2018 as a major 2-year telecom consultancy contract ended in the first half of this year. Since the Group's strategy was to embrace digital transformation, and considering the impact that digital technologies can have on the real estate sector/asset owners, DigiConsult was transformed into a Mechanical, Electrical and Technology consulting firm in the current year. Although just starting in this field, the company has been able to make some headway into new accounts.

Administrative expenses increased from MUR 10.3Mn in FY2017 to MUR 11.6Mn in FY2018 mainly due to higher staff costs arising mainly from the recruitment of M&E professionals and higher training expenditures. DigiConsult achieved a profit of MUR 4.3Mn for the year (2017: MUR 13Mn) which was in line with its target for the year and satisfactory considering its startup status in the new activities. Net profit margin achieved was 15% compared to its target of 12%.

Table 1

Net Profit by line of business (MUR 000)

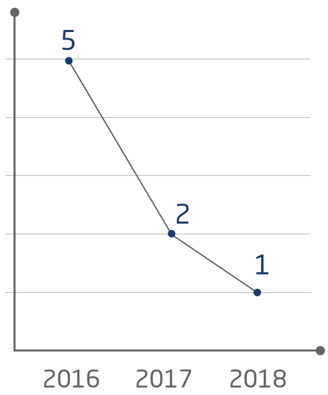


** Adjusted for comparative purpose*

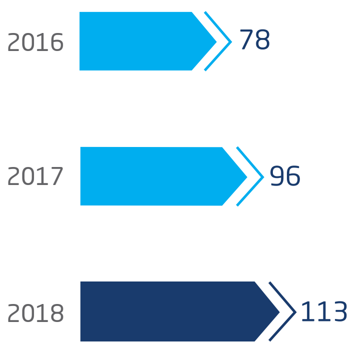
[a] Pre-operational costs

"Anglo African Investments Ltd and its subsidiaries achieved an excellent performance for FY2018."

Gearing (%)



Shareholders' Funds (MUR' Mn)



NanoBNK group

NanoBNK group operates in the Fintech sector providing digital banking as a service to financial institutions as well as fintech applications and fintech consulting services. For its first full year of operations, NanoBNK faced multiple challenges, the most important ones being that the market demanded reference sites where its platforms were successfully deployed, and delayed contract signature with its first clients. Nevertheless, NanoBNK generated revenue of MUR 14Mn for FY2018, which was satisfactory, albeit less than its target for the year.

Administrative expenses incurred totaled MUR 9.1Mn for FY2018, almost half of it relating to staff costs. Hence NanoBNK group achieved a profit after tax of MUR 5.1Mn for FY2018. Net profit margin recorded for FY2018 was 27%, better than its target of 24%. Software development costs of MUR 9.7 Mn were capitalised in FY2018, of which MUR 1.8Mn were amortised to income statement. Shareholder's fund for NanoBNK group was MUR 11.1Mn as at 30 June 2018.

Ventures

Ventures recorded revenue of MUR 7.8Mn in FY2018, which is its first full year of operations, up from MUR 2.6Mn last year. Its source of revenue in the current financial year was mainly from public conferences and private workshops and it is satisfied in having created awareness in the fields of Blockchain, Integrated Reporting and Digital Transformation. Gross margin decreased from 90% in FY2017 to 60% this year on account of costs incurred towards partnering with international experts to deliver the high value learning as well as costs in organizing the events, while last year, less costs were involved in managing the incubator for a bank. Administrative expenses rose to MUR 4.1Mn due to an increase in the number of full-time employees and costs incurred for one full year in FY2018. Hence, profit after tax was lower at MUR 0.5Mn in the current year compared to MUR 1.4Mn in FY2017.

Dividend

The Company declared a dividend of MUR 4.5Mn in FY2018, which represented MUR 4,500 per share.

Long Term Value Creation

In line with our strategic plan, we took major steps in transforming the Group's focus on short-term profitability to a long-term value creation one. We remain confident that the Group's current financial health and position will support us to achieve this objective. Hence, we will continue to monitor our key financial indicators as well as our value creation across all our Capitals.

Liliane LI Chiu Lim
Chief Finance Officer

21st September 2018

Statement of Directors' Responsibilities in Respect of the Financial Statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. 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.

The directors have made an assessment of the Company's ability to continue as going concern and have no reason to believe that the Company will not be a going concern in the year ahead.

On Behalf of the Board

Jean-Claude Béga
Chairman

21st September 2018

Jason Harel
Director (Chairman, Audit Committee)

21st September 2018

Independent Auditors' Report to the Shareholder of Anglo African Investments Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of **Anglo African Investments Ltd**, (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001.

What we have audited

The financial statements of **Anglo African Investments Ltd** set out on pages 62 to 89 comprise:

- the consolidated and separate statements of financial position as at 30 June 2018;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to consolidated and separate financial statements comprising significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditors' 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). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises of the following: About us, Our DNA, Our Companies, Our strategy, Risk Management, CFO's Review, Statement of Directors' Responsibilities and Additional Information but does not include the consolidated and separate financial statements and our auditors' report.

Our opinion on these consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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.

Independent Auditors' Report to the Shareholder of Anglo African Investments Ltd (Cont'd)

Directors' Responsibilities for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. They are also responsible for such internal control as they 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 consolidated and separate financial statements, they are responsible for assessing the Group'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 to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report to the Shareholder of Anglo African Investments Ltd (Cont'd)

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the Group other than in our capacities as auditors;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Group as far as it appears from our examination of those records.

Other matter

This report is made solely to the Group's shareholder in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Group's shareholder, as a body, those matters we are required to state to them in an auditors' 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 Group and the Group's shareholder, as a body, for audit work, for this report, or for the opinions we have formed.

Kemp Chatteris

Kemp Chatteris
Chartered Accountants

21st September 2018

Martine Ip Min Wan, FCA
Licensed by FRC

21st September 2018

Statements of Financial Position

	Notes	The Group 2018 Rs	The Group 2017 Rs	The Company 2018 Rs	The Company 2017 Rs
ASSETS					
Non-current assets					
Plant and equipment	5	**4,990,755**	8,346,538	**-**	-
Intangible assets	6	**8,616,871**	417,473	**-**	-
Deferred tax assets	7	**1,642,627**	857,711	**31,154**	-
Investments in subsidiaries	8	**-**	-	**18,607,575**	18,607,575
Investment in associate	9	**3,005,707**	2,404,916	**-**	-
Other financial assets	10	**5,610,775**	5,114,055	**9,620,857**	5,114,055
		23,866,735	17,140,693	**28,259,586**	23,721,630
Current assets					
Inventories	11	**5,786,478**	4,712,171	**-**	-
Trade and other receivables	12	**99,360,399**	78,692,234	**147,408**	11,072,362
Other financial assets	10	**34,862,788**	1,243,908	**34,862,788**	-
Cash and cash equivalents		**36,960,895**	65,421,288	**7,275,561**	21,285,020
		176,970,560	150,069,601	**42,285,757**	32,357,382
TOTAL ASSETS		**200,837,295**	167,210,294	**70,545,343**	56,079,012
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	13	**100,000**	100,000	**100,000**	100,000
Retained earnings		**112,470,456**	94,382,921	**69,689,341**	55,749,989
Translation reserves		**886,907**	1,860,791	**-**	-
Equity attributable to the owner of the parent		**113,457,363**	96,343,712	**69,789,341**	55,849,989
Non-controlling interest		**(48)**	(48)	**-**	-
TOTAL EQUITY		**113,457,315**	96,343,664	**69,789,341**	55,849,989
Non-current liabilities					
Borrowings	14	**402,029**	1,324,608	**-**	-
Deferred tax liabilities	7	**1,359**	43,716	**-**	-
Retirement benefit obligations	15	**5,422,881**	5,351,792	**207,692**	-
		5,826,269	6,720,116	**207,692**	-
Current liabilities					
Trade and other payables	16	**77,284,740**	60,161,879	**479,408**	229,023
Borrowings	14	**437,480**	733,929	**-**	-
Current tax liabilities	20	**3,831,491**	3,250,706	**68,902**	-
		81,553,711	64,146,514	**548,310**	229,023
TOTAL EQUITY AND LIABILITIES		**200,837,295**	167,210,294	**70,545,343**	56,079,012

Approved and authorised for issue by Board of Directors on 21st September 2018 and signed on its behalf by:

Jean-Claude Béga
Chairman

Jason Harel
Director (Chairman, Audit Committee)

The notes on pages 66 to 87 form an integral part of these financial statements. Auditors' report on pages 59 to 61.

Statements of Profit or Loss and Other Comprehensive Income

	Notes	The Group		The Company	
		2018 Rs	2017 Rs	2018 Rs	2017 Rs
Continuing operations					
Revenue		**324,013,280**	272,555,693	**-**	-
Cost of sales		**(232,683,016)**	(199,377,408)	**-**	-
Gross profit		**91,330,264**	73,178,285	**-**	-
Other income	17	**1,747,105**	1,187,202	**21,007,252**	24,194,645
		93,077,369	74,365,487	**21,007,252**	24,194,645
Administrative and other expenses	18	**(61,575,174)**	(58,010,153)	**(2,447,672)**	(1,337,446)
Net foreign exchange losses/(gains)		**(2,036,652)**	2,980,104	**1,804**	(2,329)
Finance costs	19	**(123,627)**	(201,682)	**(198)**	(57)
Share of loss of associate	9	**(658,469)**	(1,095,084)	**-**	-
Net profit before taxation for the year		**28,683,447**	18,038,672	**18,561,186**	22,854,813
Taxation	20(b)	**(6,095,912)**	(4,299,262)	**(121,834)**	(79,447)
Net profit for the year from continuing operations		**22,587,535**	13,739,410	**18,439,352**	22,775,366
Discontinued operations					
Profit for the year from discontinued operations	8(c)	**-**	4,692,353	**-**	-
NET PROFIT FOR THE YEAR		**22,587,535**	18,431,763	**18,439,352**	22,775,366
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		**(774,844)**	(62,338)	**-**	-
Reclassification adjustment on winding up of subsidiary		**(199,040)**	-	**-**	-
		(973,884)	(62,338)	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**21,613,651**	18,369,425	**18,439,352**	22,775,366
Profit for the year attributable to:					
Owner of the Company		**22,587,535**	18,383,160	**18,439,352**	22,775,366
Non-controlling interests		**-**	48,603	**-**	-
		22,587,535	18,431,763	**18,439,352**	22,775,366
Total comprehensive income attributable to:					
Owner of the Company		**21,613,651**	18,312,335	**18,439,352**	22,775,366
Non-controlling interests		**-**	57,090	**-**	-
		21,613,651	18,369,425	**18,439,352**	22,775,366

The notes on pages 66 to 87 form an integral part of these financial statements. Auditors' report on pages 59 to 61.

Statements of Changes in Equity

	Stated Capital Rs	Retained Earnings Rs	Translation Reserves Rs	Attributable to the owners of the parent Rs	Non-Controlling Interest Rs	Total Equity Rs
The Group						
At 1 July 2016	100,000	75,999,761	1,931,616	78,031,377	(57,138)	77,974,239
Net profit for the year	-	18,383,160	-	18,383,160	48,603	18,431,763
Other comprehensive income/(loss) the year	-	-	(70,825)	(70,825)	8,487	(62,338)
Total comprehensive income/(loss) for the year	-	18,383,160	(70,825)	18,312,335	57,090	18,369,425
At 30 June 2017	**100,000**	**94,382,921**	**1,860,791**	**96,343,712**	**(48)**	**96,343,664**
At 1 July 2017	100,000	94,382,921	1,860,791	96,343,712	(48)	96,343,664
Net profit for the year	-	22,587,535	-	22,587,535	-	22,587,535
Other comprehensive income/(loss) for the year	-	-	(973,884)	(973,884)	-	(973,884)
Total comprehensive income for the year	-	22,587,535	(973,884)	21,613,651	-	21,613,651
Transactions with owners of the parent:						
Dividend paid	-	(4,500,000)		(4,500,000)		(4,500,000)
At 30 June 2018	**100,000**	**112,470,456**	**886,907**	**113,457,363**	**(48)**	**113,457,315**

	Stated Capital Rs	Retained Earnings Rs	Total Equity Rs
The Company			
At 1 July 2016	100,000	32,974,623	33,074,623
Net profit for the year	-	22,775,366	22,775,366
Total comprehensive income for the year	-	22,775,366	22,775,366
At 30 June 2017	**100,000**	**55,749,989**	**55,849,989**
At 1 July 2017	100,000	55,749,989	55,849,989
Net profit for the year	-	18,439,352	18,439,352
Total comprehensive income for the year	-	18,439,352	18,439,352
Transactions with owners of the parent:			
Dividend paid		(4,500,000)	(4,500,000)
At 30 June 2018	**100,000**	**69,689,341**	**69,789,341**

The notes on pages 66 to 87 form an integral part of these financial statements. Auditors' report on pages 59 to 61.

Statements of Cash Flows

	Note	The Group 2018 Rs	The Group 2017 Rs	The Company 2018 Rs	The Company 2017 Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	21	**27,372,696**	43,537,040	**9,224,339**	3,328,853
Interest received		**154,655**	543,242	**174,007**	354,263
Interest paid		**(6,039)**	(6,049)	**(198)**	(57)
Income tax paid		**(4,801,414)**	(6,709,318)	**(21,261)**	(219,083)
Net cash generated from operating activities		**22,719,898**	37,364,915	**9,376,887**	3,463,976
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of plant and equipment		**(3,262,870)**	(2,462,336)	**-**	-
Purchase of intangible assets		**(10,339,808)**	(186,001)	**-**	-
Proceeds from disposal of equipment and software		**3,093,270**	2,377,906	**-**	-
Proceeds on disposal of subsidiary		**-**	189,361	**-**	189,361
Investment in subsidiaries		**-**	-	**-**	(12,750,000)
Issue of shares by associates		**(1,259,260)**	(3,500,000)	**-**	-
Loan to related parties		**(500,000)**	-	**(4,500,000)**	-
Investment in other financial assets		**(54,589,750)**	(6,357,963)	**(49,608,400)**	(5,114,055)
Proceeds on maturity of financial assets		**21,514,743**	-	**15,222,054**	-
Dividend received		**-**	-	**20,000,000**	23,751,021
Net cash (used in) from investing activities		**(45,343,675)**	(9,939,033)	**(18,886,346)**	6,076,327
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**500,000**	-	**-**	-
Borrowings repaid		**(1,836,616)**	(1,939,788)	**-**	-
Dividend paid to shareholder		**(4,500,000)**	-	**(4,500,000)**	-
Net cash (used in) from financing activities		**(5,836,616)**	(1,939,788)	**(4,500,000)**	-
(Decrease)/increase in cash and cash equivalents		**(28,460,393)**	25,486,094	**(14,009,459)**	9,540,303
Cash and cash equivalents at 1 July		**65,421,288**	39,935,194	**21,285,020**	11,744,717
Cash and cash equivalents at 30 June		**36,960,895**	65,421,288	**7,275,561**	21,285,020

The notes on pages 66 to 87 form an integral part of these financial statements. Auditors' report on pages 59 to 61.

Notes to the Financial Statements

1 GENERAL INFORMATION

Anglo African Investments Ltd, (the "Company"), was incorporated in the Republic of Mauritius on 25 July 2012 as a private company limited by shares. Its main activity is that of investment holding. The Company's registered office is Royal Road, Coromandel, Mauritius.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

"In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for accounting years beginning on 1 July 2017.

2.1 New and revised IFRSs applied with no material effect on financial statements

The following relevant new and revised IFRSs have been applied in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported and/or disclosed for the current year but may affect the accounting for future transactions or arrangements.

- IAS 7 Statement of Cash Flows - Amendments as a result of the disclosure initiative
- IAS 12 Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses
- IFRS 12 Disclosure of Interests in Other Entities - Amendments resulting from Annual Improvements 2014-2016 Cycle (clarifying scope)

2.2 New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the following IFRSs were in issue but effective on annual periods beginning on or after the respective dates as indicated:

- IAS 12 Income Taxes - Amendments resulting from Annual Improvements 2015-2017 Cycle (income tax consequences of dividends) (effective 1 January 2019)
- IAS 19 Employee Benefits - Amendments regarding plan amendments, curtailments or settlements (effective 1 January 2019)
- IAS 23 Borrowing Costs - Amendments resulting from Annual Improvements 2015-2017 Cycle (borrowing costs eligible for capitalization) (effective 1 January 2019)
- IAS 28 Investments in Associates and Joint Ventures - Amendments resulting from Annual Improvements 2014 - 2016 Cycle (clarifying certain fair value measurements) (effective 1 January 2018)
- IAS 28 Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures (effective 1 January 2019)
- IFRS 2 Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions (effective 1 January 2018)
- IFRS 3 Business Combinations - Amendments resulting from Annual Improvements 2015-2017 Cycle (remeasurement of previously held interest) (effective 1 January 2019)
- IFRS 4 Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9 (effective 1 January 2018)
- IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)
- IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective 1 January 2019)
- IFRS 11 Joint Arrangements - Amendments resulting from Annual Improvements 2015-2017 Cycle (remeasurement of previously held interest) (effective 1 January 2019)
- IFRS 15 Revenue from Contracts with Customers - Original issue (effective 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers - Clarifications to IFRS 15 (effective 1 January 2018)
- IFRS 16 Leases - Original issue (effective 1 January 2019)

The directors anticipate that these IFRS will be applied on their effective dates in future years. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") and under the historical cost convention.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of preparation (Cont'd)

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(b) Basis of consolidation

The consolidated financial statements include the Company, its subsidiaries and associated companies.

The Company controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns. The Company reassesses whether or not it still control the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial instruments: Recognition and Measurement or, when applicable, the cost on initital recognition of an investment in an associate or jointly controlled entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

(c) Business combinations

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the profit or loss as incurred.

Where applicable, the consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Investment in subsidiaries

In the Company's financial statements, investment in subsidiaries is measured at cost less impairment. Where there has been a permanent diminution in the value of an investment, it is recognised as an expense in the year in which the diminution is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(e) Investment in associates

Financial statements of the Company

Associates are all entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control over those policies. In the Company's financial statements, investments in associates are accounted for at cost net of any accumulated impairment losses.

Consolidated financial statements

In the consolidated financial statements, the results and assets and liabilities of associates are accounted using the equity method of accounting. Under this method, investments in associates are carried at cost and adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the associate, less any impairment. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

(f) Foreign currencies

(i) Functional and presentation currencies

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates ("the functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees ('Rs'), which is the functional and presentation currency for the Company and for the consolidated financial statements.

(ii) Transactions and balances

In the financial statements of the individual entities, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities outstanding at end of reporting year are recognised in the statement of profit or loss and other comprehensive income. Monetary assets and liabilities expressed in foreign currencies at the end of the reporting year are translated into Mauritian Rupees ('Rs') at the closing rate prevailing at that date.

(iii) Group companies

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Mauritian rupees ('Rs') using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The exchange differences arising from translation of the foreign operations are recognised in other comprehensive income and accumulated in equity (translation reserve), and attributed to non-controlling interests as appropriate.

On disposal of the Group's interest in a foreign operation, the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(g) Revenue recognition

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

On sale of goods and rendering of services, revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is net of valued added tax, discounts and excludes inter-company charges and dividends.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income on financial instruments is recognised as it accrues using the effective interest method while interest income on cash at bank is recognised when the interest is actually credited to the bank accounts.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts, including fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial assets.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Expenses
Expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

(i) Finance costs
Finance costs comprise of interest expenses on finance lease, bank overdraft and advances from related parties. Interest expenses are recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

(j) Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax
The tax currently payable is based on taxable profit for the year and calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

(ii) Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred tax for the year
Current and deferred taxes are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

(k) Financial instruments
(i) Non-derivative financial asset
The Group classifies non-derivative financial assets into the following categories: "loans and receivables", "held-to-maturity investments" or "available-for-sale financial assets" ("AFS"), as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables
Trade and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified in the loans and receivables category. Such assets are initially recognised 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 provision for impairment loss except for short term receivables when the recognition of interest would be immaterial.

A provision for impairment loss is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables, The amount of the provision is the difference between the asset's carrying amount and the recoverable amount. The receivables are written off when they are identified as irrecoverable.

(ii) Non-derivative financial liabilities
The Group initially recognises liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Financial instruments (Cont'd)

(ii) Non-derivative financial liabilities (cont'd)

The Group classifies non-derivative financial liabilities into the amortised costs category. Such financial liabilities, which include trade and other payables, are recognised initially at fair value less any attributable transaction costs. Subsequently to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method, except for short term payables.

(l) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised in the statement of profit or loss and other comprehensive income.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

(iii) Depreciation

Depreciation is recognised on a straight-line method to write off the cost of assets to their estimated residual values over their estimated useful life. Leased assets are depreciated over the shorter of the lease term and their expected useful lives on the same terms as owned assets.

The estimated useful lives for the current and comparative periods are as follows:

Motor Vehicles	5 years
Computer equipment	2 to 5 years
Plant and machinery	2 to 5 years
Furniture and fittings	2 to 10 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(m) Intangible assets

Intangible assets consisting of acquired software are carried at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful life of 3 years.

(n) Leases

Finance leases are recorded both as assets and obligations to pay future principals net of finance charge. The amount capitalised is the estimated present value of the minimum lease payments.

Leased assets are depreciated in accordance with the policy for the category of asset concerned. The interest is charged to the statement of profit or loss and other comprehensive income over the period of the lease.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the lease.

(o) Borrowings

Borrowings are initially recognised at fair value, being the consideration received net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

(p) Cash and cash equivalents

Cash comprises of cash at bank and in hand and deposits with an original maturity of three months or less. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purpose of the statement of cash flows, bank overdraft is considered as part of cash and cash equivalents.

(q) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out (FIFO) basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expense. Where necessary, a write-off is made for obsolete and slow moving inventory items.

(r) Impairment of non-financial assets

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount which should not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Impairment of non-financial assets (Cont'd)

immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(s) Retirement benefit obligations

(i) Defined contribution schemes

Payments to defined contribution schemes retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

(ii) Other retirement benefits

Retirement benefits as provided under the Employment Rights Act 2008 are recognised in the statement of financial position as non-current liabilities and are not funded.

(iii) State pension plan

Contributions to the National Pension Scheme are expensed to the statement of profit or loss and other comprehensive income in the period in which they fall due.

(t) Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at the end of the reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditure required to settle the obligation.

(u) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(v) Related parties

Related parties include individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

(w) Dividend

Dividend on ordinary shares are recognised in equity in the period in which they are authorised by the directors. Dividends that are declared after the reporting date are dealt with in the notes to the financial statements.

(x) Comparative figures

Comparative figures have been regrouped and/or restated where necessary to conform with the current year's presentation.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements.

Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Impairment of assets

Impairment of assets requires significant judgement and assumptions as this exercise involves the determination of recoverable amount of asset values. In making the judgement and assumptions, the directors consider and evaluate, among other factors changes in technology, industry and sector economic indicators.

Useful lives of plant and equipment

When determining the carrying amounts of plant and equipment, management is required to estimate the useful lives and residual values of these assets. Estimates of useful lives and residual values carry a degree of uncertainty due to technical changes. The directors have used current information relating to the expected use of the assets.

Impairment of trade receivables

Management reviews the debtors portfolio on a regular basis and make provisions for impairment losses based on its estimates on the recoverable amounts of each debt, considering several factors such as the ageing of the receivables, an evaluation of the customer's financial conditions, information about the potential inability of a customer to meet its financial obligations or the customer being placed under administration or receivership.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised based on the likely timing and level of future taxable profits.

Notes to the Financial Statements

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Inventory provisions

Inventory provisions are made to write down inventories to net realisable value based on management's estimate of the realisability of inventories, considering factors such as estimates of future demand, changes in market prices, obsolescence. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates.

Limitations of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors.

5. PLANT AND EQUIPMENT

	Computer Equipment Rs	Office & other equipment Rs	Furniture & fittings Rs	Motor vehicles Rs	Total Rs
The Group					
COST					
At 1 July 2016	7,161,292	4,587,776	3,366,791	15,143,161	30,259,020
Translation	(855)	(89,265)	(4,214)	(54,483)	(148,817)
Additions	1,118,855	406,081	-	937,400	2,462,336
Disposals	(398,979)	(2,592,397)	(180,937)	(4,832,615)	(8,004,928)
At 30 June 2017	7,880,313	2,312,195	3,181,640	11,193,463	24,567,611
At 1 July 2017	7,880,313	2,312,195	3,181,640	11,193,463	24,567,611
Translation	(3,969)	-	-	(18,200)	(22,169)
Additions	2,578,614	-	44,256	640,000	3,262,870
Disposals	(3,310,608)	(148,615)	(127,004)	(8,020,047)	(11,606,274)
At 30 June 2018	**7,144,350**	**2,163,580**	**3,098,892**	**3,795,216**	**16,202,038**
DEPRECIATION					
At 1 July 2016	2,732,801	1,832,510	1,311,959	8,899,694	14,776,964
Translation	(260)	(25,798)	(1,056)	(16,482)	(43,596)
Charge for the year	2,100,244	587,739	789,431	2,290,284	5,767,698
Disposals	(202,614)	(993,082)	(100,699)	(2,983,598)	(4,279,993)
At 30 June 2017	4,630,171	1,401,369	1,999,635	8,189,898	16,221,073
At 1 July 2017	4,630,171	1,401,369	1,999,635	8,189,898	16,221,073
Translation	(789)	-	-	(4,850)	(5,639)
Charge for the year	1,827,759	375,025	742,265	1,106,858	4,051,907
Disposals	(2,147,552)	(116,966)	(69,852)	(6,721,688)	(9,056,058)
At 30 June 2018	**4,309,589**	**1,659,428**	**2,672,048**	**2,570,218**	**11,211,283**
NET BOOK VALUE					
At 30 June 2018	**2,834,761**	**504,152**	**426,844**	**1,224,998**	**4,990,755**
At 30 June 2017	3,250,142	910,826	1,182,005	3,003,565	8,346,538

Plant and equipment includes motor vehicles with a net book value of Rs 288,757 (2017: Rs 1,937,762) held under finance lease.

Notes to the Financial Statements

6. INTANGIBLE ASSETS

	The Group		
	Acquired Software Rs	Software Development Rs	Total Rs
COST			
At 1 July 2016	921,988	-	921,988
Additions	186,001	-	186,001
Disposals	-		-
At 30 June 2017	1,107,989	-	1,107,989
At 1 July 2017	1,107,989	-	1,107,989
Additions	101,500	10,238,308	10,339,808
Disposals	(791,027)	-	(791,027)
At 30 June 2018	**418,462**	**10,238,308**	**10,656,770**
AMORTISATION			
At 1 July 2016	462,835	-	462,835
Charge for the year	227,681	-	227,681
At 30 June 2017	690,516	-	690,516
At 1 July 2017	690,516	-	690,516
Charge for the year	208,792	1,789,027	1,997,819
Disposals	(648,436)	-	(648,436)
At 30 June 2018	**250,872**	**1,789,027**	**2,039,899**
NET BOOK VALUE			
At 30 June 2018	**167,590**	**8,449,281**	**8,616,871**
At 30 June 2017	417,473	-	417,473

Notes to the Financial Statements

7. DEFERRED TAX

Deferred taxes are calculated on all temporary differences on the liability method at 15% (2017:15%). The following amounts are shown in the statement of financial position:

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Deferred tax assets	**1,642,627**	857,711	**31,154**	-
Deferred tax liabilities	**(1,359)**	(43,716)	**-**	-
	1,641,268	813,995	**31,154**	-

Movement on the deferred tax account:

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
At 1 July	**813,995**	327,365	**-**	-
Translation	**3,213**	(26)	**-**	-
Charge for the year	**824,060**	486,656	**31,154**	-
At 30 June	**1,641,268**	813,995	**31,154**	-
Analysed as follows:				
- Accelerated capital allowances	**(560,655)**	(486,227)	**-**	-
- Retirement benefit obligations	**813,433**	802,768	**31,154**	-
- Allowance for doubtful debts	**8,250**	190,658	**-**	-
- Unrealised foreign exchange gain	**676,315**	(19,305)	**-**	-
- Other provisions	**165,133**	58,247	**-**	-
- Tax losses	**538,792**	267,854	**-**	-
	1,641,268	813,995	**31,154**	-

8. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2018 Rs	2017 Rs
At 1 July	**18,607,575**	5,957,575
Additions	**-**	12,750,000
Disposals	**-**	(100,000)
At 30 June	**18,607,575**	18,607,575

Notes to the Financial Statements

8. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) Details of subsidiaries included in the consolidated financial statements are as follows:

Name of company	Class of shares held	Country of incorporation and operation		**2018 Stated Capital**	2017 Stated Capital	2017 & 2018 Effective Holding (%)
Held directly by the Company:						
Infosystems AA Ltd	Ordinary	Mauritius	Rs'000	**100**	100	100
Digiconsult AA Ltd	Ordinary	Mauritius	Rs'000	**100**	100	100
Ventures AA Ltd	Ordinary	Mauritius	Rs'000	**100**	100	100
Anglo African International Ltd	Ordinary	Mauritius	USD'000	**300**	300	100
Anglo African Ltd	Ordinary	Mauritius	Rs'000	**100**	100	100
Anglo African Consulting Ltd	Ordinary	Mauritius	Rs'000	**1**	1	100
Anglo NanoBNK Ltd	Ordinary	Mauritius	Rs'000	**7500**	7500	100
Held through the Subsidiaries of the Company:						
Anglo African Madagascar SARL [1]	Ordinary	Madagascar	MGA.Mn	**2000**	2000	99
Anglo African Rwanda Limited [2]	Ordinary	Rwanda		**N/A**	N/A	N/A
Anglo African Zimbabwe (Private) Limited [1]	Ordinary	Zimbabwe	USD'000	**2**	2	100
Anglo African Zambia Limited	Ordinary	Zambia	ZMW'000	**300**	300	100
NanoSAIO Ltd	Ordinary	Mauritius	Rs'000	**600**	100	100
NanoAFRI AA Ltd	Ordinary	Mauritius	Rs'000	**88**	88	100
NanoBNK Private Limited [3]	Ordinary	India	IND'000	**2000**	n/a	100
Anglo NanoTECH Ltd [3]	Ordinary	Mauritius	Rs'000	**100**	n/a	100

(1) Anglo African Madagascar SARL and Anglo African Zimbabwe Ltd are no longer in operations.

(2) Anglo African Rwanda Ltd has been wound up in October 2017.

(3) NanoBNK Private Limited was incorporated on 9th October 2017 while Anglo NanoTECH Ltd was incorporated on 22 May 2018.

N/A = not applicable

Notes to the Financial Statements

8. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Disposal of subsidiary and discontinued operations

On 12 December 2016, the Company entered into a sale agreement to dispose of MobiMEA Ltd, which was in the business of sales of mobile devices. The disposal of the subsidiary is in line with the Group's strategy to focus on the consolidation of its IT Business, emerging technology in Fintech and Smart cities and high value training. The disposal was completed on 15 January 2017, date on which control passed to the acquirer.

Details of assets and liabilities disposed of are shown below:

The Group	2017 Rs
ASSETS	
Trade and other receivables	5,150,729
Cash and cash equivalents	3,713,381
	8,864,110
LIABILITIES	
Trade and other payables	8,173,436
Current tax liabilities	590,674
	8,764,110
NET BOOK VALUE	100,000
Profit on disposal	89,361
Disposal proceeds	189,361

(c) Analysis of profit for the year arising from discontinued operations

The results of MobiMEA Ltd included in the statement of profit or loss and other comprehensive income as profit for the year from discontinued operations are shown below. The comparative results and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2017 Rs
Revenue	46,757,840
Cost of sales	(40,768,408)
Gross profit	5,989,432
Administrative expenses (note 18)	(1,221,711)
Net foreign exchange gains	819,306
Finance costs (note 19)	(2,549)
Net profit before tax from discontinued operations	5,584,478
Taxation	(892,125)
Net profit after tax from discontinued operations	4,692,353
Cash flows from discontinued operations	
Cash flows from operating activities	9,086,392
Cash flows from investing activities	900,000
Cash flows from financing activities	(6,562,717)
Net cash flows from discontinued operations	3,423,675

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATE

	The Group	
	2018 Rs	2017 Rs
At 1 July	**2,404,916**	-
Additions during the year	**1,259,260**	3,500,000
Share of post acquisition loss	**(658,469)**	(1,095,084)
At 30 June	**3,005,707**	2,404,916

Details of the Group's material associate at 30 June 2018 and 30 June 2017 are as follows:

Name of associate	Principal activity	Place of incorporation	% holding
Indian Ocean Network News Ltd ('ION')	Online publishing of news	Mauritius	45.9%

The financial year end date of the associate is 31 December. For the purpose of applying the equity method of accounting, the financial statements of Indian Ocean Network News Ltd for the year ended 31 December 2017 have been used and appropriate adjustments have been made for the effect for material transactions between that date and 30 June 2018.

Summarised financial information in respect of the associate is set out below:

	The Group	
	2018 Rs	2017 Rs
Non current assets	**1,062,429**	1,007,640
Current assets	**1,374,345**	1,390,709
Non current liabilities	**334,648**	207,134
Current liabilities	**2,079,312**	2,729,983
Revenue	**4,330,517**	1,810,978
Loss for the year	**(1,434,769)**	(2,385,804)
Group's share of post acquisition loss of the associate	**(658,469)**	(1,095,084)

Reconciliation of the above summarised information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	The Group	
	2018 Rs	2017 Rs
Net assets/liabilities of the associate	**22,814**	**(538,768)**
% held by the Group	**45.9%**	**45.9%**
Share of net liabilities	**10,471**	**(247,295)**
Goodwill	**2,995,236**	**2,652,211**
Carrying amount of the Group's interest in ION	**3,005,707**	**2,404,916**

Notes to the Financial Statements

10. OTHER FINANCIAL ASSETS

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Deposit with financial institutions	**5,101,098**	6,357,963	**5,101,098**	5,114,055
Investment in Government securities	**34,862,788**	-	**34,862,788**	-
Loans to related parties	**509,677**	-	**4,519,759**	-
	40,473,563	6,357,963	**44,483,645**	5,114,055

Other financial assets are classified as loans and receivables and measured at amortised cost. The amounts stated represented the Group's and the Company's maximum exposure to credit risk.

The loans to related parties are unsecured and carry floating interest rate in the range of 4.5% to 5.75% per annum in year 2018.

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Remaining term to maturity:				
- Up to 1 year	**34,862,788**	1,243,908	**34,862,788**	-
- Over 1 year and up to 5 years	**5,610,775**	5,114,055	**9,620,857**	5,114,055
	40,473,563	6,357,963	**44,483,645**	5,114,055

11. INVENTORIES

	The Group	
	2018 Rs	2017 Rs
ICT equipment	**6,068,450**	5,111,170
Less provision for write down of inventories	**(281,972)**	(398,999)
	5,786,478	4,712,171

Inventories are stated at cost. Provision has been made for slow moving inventories.

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Trade receivables	**81,024,162**	70,920,665	-	-
Allowance for doubtful debts	**(2,649,434)**	(914,552)	-	-
	78,374,728	70,006,113	-	-
Tax receivable (Note 20(a))	**169,742**	1,712,679	-	62,824
Other receivables and prepayments	**20,815,929**	6,973,442	**2,000**	89,261
Amounts due from related parties	-	-	**145,408**	10,920,277
	99,360,399	78,692,234	**147,408**	11,072,362

The average credit period on sales is 2 months. No interest is charged on trade receivables. The carrying amounts of trade and other receivables approximate their fair value and represent the Group and Company's maximum exposure to credit risk. No collateral security is held on those receivables.

Amounts due from related parties bear interest at the rate of (2017; 2.3% p.a), are unsecured and are receivable within 6 months.

Notes to the Financial Statements

12. TRADE AND OTHER RECEIVABLE (Cont'd)

	The Group	
	2018 Rs	2017 Rs
Ageing of past due but not impaired trade receivables		
Up to 60 days	**39,254,937**	5,071,874
61 to 120 days	**1,452,269**	-
121 to 180 days	**588,773**	92,719
Over 180 days	**1,040,380**	297,932
	42,336,359	5,462,525
Ageing of impaired trade receivables		
61 to 120 days	-	61,636
Over 180 days	**2,649,036**	852,916
	2,649,036	914,552
Movement in the allowance for doubtful debts		
At 1 July		
Provision for the year	**914,552**	1,436,492
Amounts written off	**1,734,882**	1,208,715
At 30 June	-	(1,730,655)
	2,649,434	914,552

Management considered the change in credit quality of the trade receivables from the date the credit was granted to the reporting date to determine the allowance for doubtful debts.

13. STATED CAPITAL

	The Group & The Company	
	2018 Rs	2017 Rs
Issued and fully paid:		
1,000 Ordinary shares	**100,000**	100,000

14. BORROWINGS

	The Group	
	2018 Rs	2017 Rs
Bank borrowings	**487,393**	-
Obligations under finance lease	**352,116**	2,058,537
	839,509	2,058,537

Bank borrowings

The bank borrowing is secured by a lien on motor vehicle. Floating interest rate is payable on the loan and the average interest applicable in 2018 was 6.75% per annum (2017:6.75% per annum).

	The Group	
	2018 Rs	2017 Rs
The loan is repayable:		
Within one year	**156,413**	-
After one year but before three years	**330,980**	-
	487,393	-

Notes to the Financial Statements

14. BORROWINGS (Cont'd)

Obligations Under Finance Lease

The Group enters into finance lease arrangements for some of its motor vehicles. The Group has options to purchase the vehicles for a nominal amount at the conclusion of the lease agreements. The fixed rate of interest on finance leases was 7.5% (2017:7% to 8.50%). The Group's obligations under finance leases are secured by the lessors title to the leased assets.

	The Group			
	Due in less than 1 year	Due between 1 and 5 years	Due in less than 1 year	Due between 1 and 5 years
	2018 Rs	2018 Rs	2017 Rs	2017 Rs
Minimum lease payments	**296,422**	**72,387**	863,436	1,422,283
Less: Interest	**15,355**	**1,338**	129,507	97,675
Principal (borrowings)	**281,067**	**71,049**	733,929	1,324,608

The borrowings are denominated in Mauritian Rupees.

The carrying amounts of borrowings approximate their fair value.

15. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations comprise mainly of benefits payable under the Employment Rights Act 2008, which provides for a lump sum to be payable at retirement based on final salary and years of service.

The movement in liability recognised in the statement of financial position is as follows:

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
At 1 July	**5,351,792**	4,737,266	-	-
Translation	-	(2,020)	-	-
Provision for the year	**71,089**	616,546	**207,692**	-
At 30 June	**5,422,881**	5,351,792	**207,692**	-

16. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Trade payables	**36,908,211**	35,653,898	-	-
Other payables	**15,823,631**	13,453,347	**479,408**	157,500
Deferred income	**24,552,898**	11,054,634		
Amounts due to related parties	-	-	-	71,523
	77,284,740	60,161,879	**479,408**	229,023

The carrying amounts of trade and other payables approximate their fair values.

The amounts due to related parties are unsecured, interest free and are repayable within 6 months from the financial year end.

Notes to the Financial Statements

17. OTHER INCOME

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Sundry revenues	**452,497**	554,599	**350,000**	-
Dividend income	-	-	**20,000,000**	23,751,021
Profit on disposal of plant and equipment	**400,463**	-	-	-
Gain on winding up/disposal of subsidiaries	**198,896**	89,361	-	89,361
Interest income	**695,249**	543,242	**657,252**	354,263
	1,747,105	1,187,202	**21,007,252**	24,194,645

18. ADMINISTRATIVE AND OTHER EXPENSES

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Depreciation and amortisation	**4,260,699**	5,995,379	-	-
Loss on disposal of plant and equipment	-	1,347,029	-	-
Staff costs	**40,265,032**	35,614,314	**1,538,922**	-
Impairment loss on trade receivables	**1,809,042**	1,208,715	-	-
Others	**15,240,401**	15,066,427	**908,750**	1,337,446
	61,575,174	59,231,864	**2,447,672**	1,337,446
Attributable to:				
- Continuing operations	**61,575,174**	58,010,153	**2,447,672**	1,337,446
- Discontinued operations	-	1,221,711	-	-
	61,575,174	59,231,864	**2,447,672**	1,337,446

19. FINANCE COSTS

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Interest on bank overdraft	**6,039**	6,049	**198**	57
Interest on loan	**4,161**	-	-	-
Interest on finance leases	**113,427**	198,182	-	-
	123,627	204,231	**198**	57
Attributable to:				
- Continuing operations	**123,627**	201,682	**198**	57
- Discontinued operations	-	2,549	-	-
	123,627	204,231	**198**	57

Notes to the Financial Statements

20. CURRENT TAX LIABILITIES (Cont'd)

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
(a) Statement of financial position				
At 1 July, tax liabilities	**3,250,706**	2,577,200	**-**	76,812
At 1 July, tax receivable	**(1,712,679)**	-	**(62,824)**	-
Translation	**5,165**	(7,898)	**-**	-
Under/(over) provision in prior years	**666,007**	(243,929)	**-**	1,290
Income tax provision for the year	**6,253,964**	5,921,972	**152,987**	78,157
Net tax paid	**(4,801,414)**	(6,709,318)	**(21,261)**	(219,083)
Transfer to tax receivable (Note 12)	**169,742**	1,712,679	**-**	62,824
At 30 June	**3,831,491**	3,250,706	**68,902**	-
(b) Statement of profit or loss				
Income tax provision for the year	**6,253,964**	5,921,972	**152,987**	78,157
(Under/(over) provision in prior years	**666,007**	(243,929)	**1**	1,290
Deferred tax (note 7)	**(824,060)**	(486,656)	**(31,154)**	-
	6,095,911	5,191,387	**121,834**	79,447
Attributable to:				
- Continuing operations	**6,095,911**	4,299,262	**121,834**	79,447
- Discontinued operations	**-**	892,125	**-**	-
	6,095,911	5,191,387	**121,834**	79,447
(c) Reconciliation between tax on accounting profit and income tax:				
Profit before tax and loss of associate	**29,341,916**	19,133,756	**18,561,186**	22,854,813
Tax at the rate of 15% / 3% (2017:15% / 3%)	**6,284,157**	4,805,575	**2,784,178**	3,428,222
Effect of different tax rates	**1,170,410**	214,156	**-**	-
Foreign tax charge paid	**-**	61,564	**-**	-
Corporate social responsibility contribution	**373,658**	996,997	**17,999**	27,971
Expenses not deductible for tax purpose	**653,647**	416,248	**319,657**	198,020
Under/(over) provision in prior years	**623,168**	(243,928)	**-**	1,291
Income not subject to tax	**(3,000,394)**	1,897,549	**(3,000,000)**	(3,576,057)
Tax losses brought forward	**(8,735)**	(338,668)	**-**	-
Tax losses not recognised	**-**	(2,618,106)	**-**	-
Income tax expense	**6,095,911**	5,191,387	**121,834**	79,447
Attributable to:				
- Continuing operations	**6,095,912**	4,299,262	**121,834**	79,447
- Discontinued operations	**-**	892,125	**-**	-
	6,095,912	5,191,387	**121,834**	79,447

The tax rate is 15% (2017:15%) for domestic companies in Mauritius while the effective rate for companies holding a Global Business Licence 1 is 3% (2017:3%) after deducting foreign tax credit.

Notes to the Financial Statements

21. NOTES TO THE STATEMENTS OF CASH FLOWS

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Cash flow from operating activities				
Profit before tax from continuing operations	**28,683,447**	18,038,672	**18,561,186**	22,854,813
Profit before tax from discontinued operations	-	5,584,478	-	-
Adjustments for:				
Depreciation of plant and equipment	**4,051,907**	5,767,698	-	-
Amortisation of intangible assets	**1,997,819**	227,681		
Dividend income	-	-	**(20,000,000)**	(23,751,021)
Interest income	**(695,249)**	(543,242)	**(657,252)**	(354,263)
Interest expense	**123,627**	204,231	**198**	57
Exchange differences	**(756,506)**	32,993	-	-
Movement in retirement benefit obligations	**71,089**	616,546	**207,692**	-
(Profit)/loss on disposal of plant and equipment	**(400,463)**	1,347,029	-	-
Gain on winding up/disposal of subsidiaries	**(198,896)**	(89,361)	-	(89,361)
Share of loss from associate	**658,469**	1,095,084		
Impairment of trade receivables	**1,809,042**	1,208,715	-	-
Movement in inventory provision	**(117,027)**	(746,072)	-	-
	35,227,259	32,744,452	**(1,888,176)**	(1,339,775)
Changes in working capital:				
Movement in inventories	**(957,280)**	(330,154)	-	-
Movement in trade and other receivables	**(24,020,144)**	(14,704,387)	**10,862,130**	4,749,205
Movement in trade and other payables	**17,122,861**	25,827,129	**250,385**	(80,577)
Cash generated from operations	**27,372,696**	43,537,040	**9,224,339**	3,328,853

22. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group and other related parties and outstanding balances due from/to related parties are disclosed below:

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Amount receivable from /(due to) shareholder	**(25,605)**	130,442	**(25,605)**	-
Loan to entity under common control	**509,677**	-	**509,677**	-
Loan to subsidiary	-	-	**4,010,082**	
Amount receivable from subsidiaries	-	-	**145,407**	10,920,277
Amount due to subsidiaries	-	-	-	(71,523)
Investment in subsidiaries	-	-	**18,607,575**	18,607,575
Investment in associate	**3,005,707**	2,404,916	-	-
Remuneration of directors and key management personnel	**9,570,817**	**7,085,858**	**1,597,300**	595,000
Dividend and interest income from subsidiaries	-	-	**20,183,957**	23,910,792
Other revenue from subsidiaries	-	-	**350,000**	-

Outstanding balances at year end are unsecured and repayable within 6 months. In the Company, amounts due from related parties bear interest at the rate of 2.3% per annum (2017:2.3% per annum).

Notes to the Financial Statements

23. CONTINGENT LIABILITY

The Group has no litigation claims outstanding, pending or threatened against it which could have a material adverse effect on its financial position or results. It gives bank guarantees in the ordinary course of business to third parties but do not expect these liabilities to crystallise. The amount outstanding at 30 June 2018 amounted to Rs 4,729,758 (2017: Rs 19,858,057).

24. CAPITAL COMMITMENTS

At 30 June 2018, the Group had no capital commitments (2017: Nil).

25. FINANCIAL RISK MANAGEMENT

25.1 Overview

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's activities expose it to a variety of financial risks relating to its operations. The Company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Company. The Group is exposed to the following risks:

- Credit risk
- Liquidity risk
- Market risk (which includes interest rate risk and foreign currency risk);

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group centralised finance function manages the Group's exposure to credit risk, market risk and liquidity risk.

25.2 Significant accounting policies

Details of the signficant accounting policies in respect of financial asset, financial liability and equity instrument as well as the basis on which income and expenses are recognised,are disclosed in note 2 to the financial statements.

25.3 Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders. There were no changes in the Group's approach to capital management during the year.

The Group's and the Company's objectives when managing capital are:

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

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

Notes to the Financial Statements

25. FINANCIAL RISK MANAGEMENT (Cont'd)

The capital structure of the Group and the Company consist of debt and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the statements of changes in equity.

The Group's net debt at 30 June 2018 and 2017 is nil considering the strong cash reserves held and hence is not exposed to risk relating to high gearing.

25.4 Categories of financial instruments

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Financial assets				
Loan and receivables	**137,521,224**	82,456,318	**44,631,053**	16,123,593
Cash and cash equivalents	**36,960,895**	65,421,288	**7,275,561**	21,285,020
	174,482,119	147,877,606	**51,906,614**	37,408,613
Financial liabilities				
At amortised cost	**53,571,351**	51,165,783	**479,408**	229,023

Fair value estimations

For financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The carrying amounts of the financial assets and liabilities approximate their fair values due to the short term nature of the balances involved.

The Group's and Company's financial assets and liabilities are classified into the level 3 of the fair value hierarchy.

25.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and Company.

The Group's credit risk is primarily attributable to their trade receivables. The amounts presented in the statement of financial position are net of allowance for credit losses, estimated by the management based on prior experience. The Group have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The amount and ageing of impaired advances is disclosed in note 12 to the accounts. Provision has been made for any losses estimated from non-performance by these counterparties.

25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the Financial Statements

25. FINANCIAL RISK MANAGEMENT (Cont'd)

25.6 Market risk (Cont'd)

(a) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's borrowings relate mainly to finance lease obligations at fixed rate of interest as tabled below.

	2018	2017
Obligations under finance lease	**7.50%**	7.50%

(b) Foreign exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's reporting currency.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States Dollar ('USD'). The Group's dealings in foreign currency purchases is managed by seeking the best rates. Fluctuations arising on purchase transactions are partly offset by sales transactions, effected in USD as a natural hedge. The Group also has positions in Malagasy Ariary(MGA), and Zambian Kwacha (ZMW), which are the local currencies of its subsidiaries.

The currency profile of the financial assets and financial liabilities is summarised below.

	The Group		The Company	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs	Rs	Rs	Rs
2018				
Currency				
Mauritian rupee ('Rs')	**78,568,066**	**14,590,593**	**51,867,141**	**479,408**
United States dollars ('USD')	**64,229,607**	**34,913,131**	**39,473**	**-**
Others	**31,684,446**	**4,067,627**	**-**	**-**
	174,482,119	**53,571,351**	**51,906,614**	**479,408**
2017				
Currency				
Mauritian rupee ('Rs')	81,845,839	15,315,599	37,402,242	229,023
United States dollars ('USD')	55,933,298	33,297,858	6,371	-
Others	10,098,469	2,552,326	-	-
	147,877,606	51,165,783	37,408,613	229,023

A sensitivity analysis, including only outstanding USD denominated monetary items and adjusting their translation at the period end for a 5% change in foreign currency rates, indicates that if the USD strengthens 5% against the Mauritian rupee, the Company will incur a gain on exchange of Rs1,465,824 (2017: Rs1,131,772).

There would be an equal and opposite impact on the profit and other equity where the USD weakens 5% against the Mauritian Rupee.

The profit or loss is mainly attributed to the exposure outstanding on receivables and payables and bank balances at year end.

Notes to the Financial Statements

25. FINANCIAL RISK MANAGEMENT (Cont'd)

25.7 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Group's and the Company's liquidity reserve on the basis of expected cash flows.

The table below analyses the Group's and the Company's remaining contractual maturity for its financial liabilities. The undiscounted cash flows are analysed into relevant maturity groupings based on the earliest date on which the Group and the Company can be required to pay them. The table includes both interest and principal cash flows.

	Less than 1 year Rs	Between 1 year & 5 years Rs
The Group		
2018		
Trade and other payables	**52,731,842**	**-**
Borrowings	**480,955**	**426,168**
	53,212,797	**426,168**
2017		
Trade and other payables	49,124,554	-
Borrowings	863,436	1,422,283
	49,987,990	1,422,283

	Less than 1 year Rs	Between 1 year & 5 years Rs
The Company		
2018		
Trade and other payables	**479,408**	**-**
	479,408	**-**
2017		
Trade and other payables	229,023	-
	229,023	-

26. FINANCIAL SUMMARY

	2018 Rs	2017 Rs	2016 Rs	2015 Rs	2014 Rs
The Group					
Shareholders' Funds	**113,457,363**	96,343,712	78,031,377	59,715,534	41,734,608
Revenue	**324,013,280**	272,555,693	291,867,891*	339,137,740*	259,433,390*
Profit after tax	**22,587,535**	18,431,763	18,352,583	17,758,639	7,257,725
Earnings per share	**22,588**	18,432	18,353	17,759	7,258

* includes revenue of MobiMea Ltd