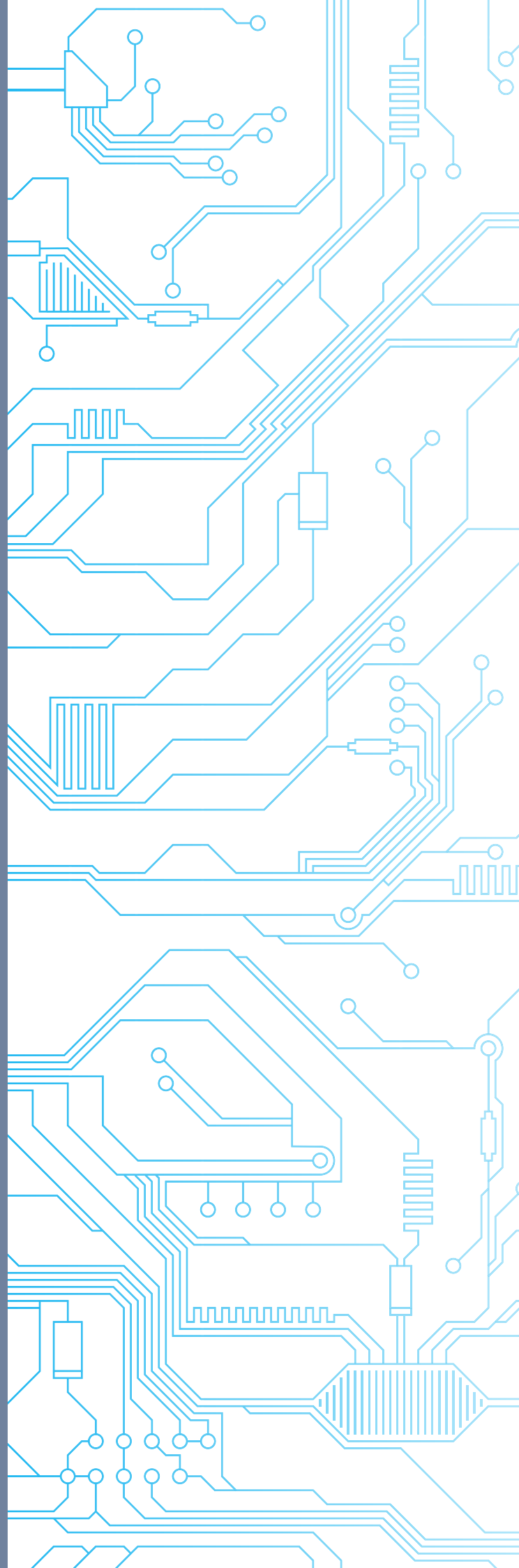




Regulations, like those in the food, pharmaceutical, automobile and airline industries, are typically introduced after negative events. However, AI has been evolving so quickly and the impact of AI technology has the potential to be so significant that regulators prefer to plan ahead and **Proactively Regulate AI**. In the near-term, issues concerning job losses, autonomous vehicles, AI and algorithmic decision-making, and “bots” driving social media require attention by policymakers, just as many new technologies do.





Reporting

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CFO's Review

Anglo African Investments Ltd and its subsidiaries (the "Group") have achieved a satisfactory performance during the year under review, achieving double-digit growth in revenue and profit from continuing operations, despite the difficulties encountered in its regional business.

Transformation plan

The transformation plan disclosed in the IR2016 was implemented during FY2017, the highlights of which are as follows:

- The Group believes in the strong growth potential of its subsidiary in Zambia and has injected an additional capital of MUR 1 million during FY2017 to strengthen its capital base and cash flow. Results achieved by our subsidiary in Zambia in FY2017 are encouraging and we expect higher growth in the next financial year.
- Operations in Madagascar and Zimbabwe have been scaled back due to losses incurred by the subsidiaries in both countries, and political and economic uncertainties clouding their future prospects. The subsidiary in Rwanda has been closed down considering the intense competition making it difficult to penetrate the market unless more resources are deployed there, but the Group has decided to proceed differently.

Hence, our investments in, and loans to, those subsidiaries, amounting to MUR 12.8 million have been written off as irrecoverable in the current year. In addition, the Group incurred one-off expenditures of around MUR 2 million relating to the

closing down process. Business opportunities referred to us by our partners, consultants and existing customers in those countries are now dealt with by the regional business team based in Mauritius.

- In line with our strategy to focus on the technology business, the Group disposed of its subsidiary, MobiMea Ltd, which is a trading company selling mobile devices. The Group recorded the results of MobiMea Ltd's operations for the six months till disposal date in December 2016 as "profit from discontinued operations" and re-presented the comparative figures for FY2016 accordingly.
- The Group continued to build capabilities in Fintech, disbursing MUR 1.5 million in staffing, training and marketing, but has not generated revenue from this activity yet. The Group is confident that the Fintech line of business will bring long-term value-added and looks forward to positive developments in FY2018.

Revenue

Revenue from continuing operations grew by 24% from MUR 220.7 million in FY2016 to MUR 272.6 million in FY2017, driven by:

- **our subsidiary in Zambia**, which had its first full operating year in 2017 and accounted for 12% of group revenue
- **our telecom consultancy business**, which also fared very well, growing its revenue twofold as it won a major 2-year contract in the last quarter of FY2016



"The Group is confident that the Fintech line of business will bring long-term value-added and looks forward to positive developments in FY2018."

- our IT business in Mauritius, which registered a flat growth over last year as it was negatively impacted by lower income from digital consultancy, offset by higher income generated by the datacom department and stable revenue from the infrastructure segment.

On the other hand, revenue from international business, excluding from Zambia, fell in this transition year as we contracted our local presence in Zimbabwe, Madagascar, and Rwanda.

Gearing

The Company's borrowings, relating to obligations under finance lease, represented less than 5% of equity in both FY2017 and FY2016.

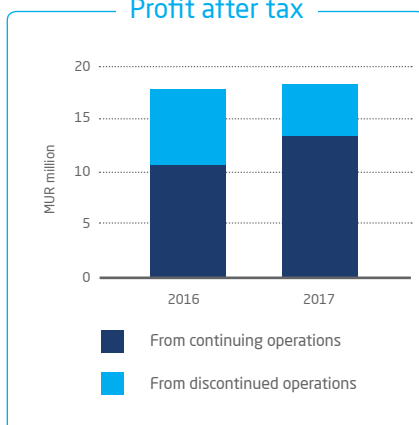
Liquidity

The Group has sufficient liquidity to fund its operations. It generated cash from operating activities of MUR 37.3 million in FY2017 and its current assets ratio is 2.3.

Dividend

In line with its policy not to declare dividend till 30 June 2017, no dividend has been paid out for FY2017. This policy was adopted in order to strengthen the capital base of the Group and have sufficient free cash flow to fund its growth.

Profit after tax



Profitability

Hence, the Group's information technology business and telecom consultancy remain the drivers for the Group's performance despite the difficult economic environment. Group profit after tax from continuing operations increased by 27.1% to reach MUR 13.7 million.

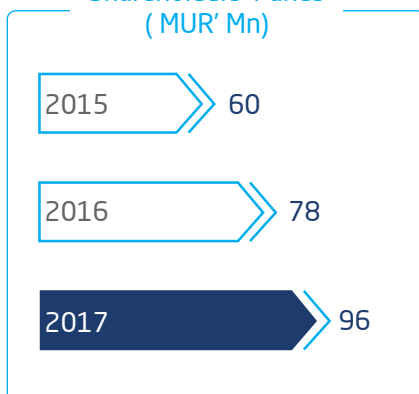
The Group's profit for the year showed a flat growth considering that profit from discontinued operations in FY2017 included results of only 6 months operations till disposal date, compared to 12 months last year.

L.L.L.

Liliane Li Chiu Lim
Chief Finance Officer

6th November 2017

Shareholders' Funds (MUR' Mn)



Gross margin from continuing operations fell from 29% in FY2016 to 27% in FY2017 while net margin from continuing operations was maintained at 5% in both periods.

Administrative and other expenses

Administrative and other expenses attributable to continuing operations were well controlled and increased by 3% to MUR 58 million in FY2017.

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



Sanjeev Vinod Manrakhan
Director

6th November 2017



Kishore Sunil Banymandhub
Director (Chairman, Audit Committee)

6th November 2017

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

Report on the Audit of the Financial Statements

Opinion

In our opinion, the 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 2017 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 74 to 102 comprise:

- the statements of financial position as at 30 June 2017;
- the statements of profit or loss and other comprehensive income for the year then ended;
- the statements of changes in equity for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to 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.

Prior year financial statements

The financial statements for the year ended 30 June 2016 were audited by another auditor who expressed an unqualified opinion on those financial statements on 9 September 2016.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of the 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.

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

Directors' Responsibilities for the Financial Statements (Cont'd)

In preparing the 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the financial statements.

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

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

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.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the corporate governance report is consistent with the requirements of the Code.

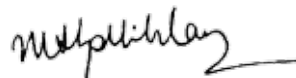
Other matter

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, 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, for audit work, for this report, or for the opinions we have formed.



Kemp Chatteris
Chartered Accountants

6th November 2017



Martine Ip Min Wan, FCA
Licenced by FRC

6th November 2017

Statements of Financial Position

	Notes	The Group		The Company	
		2017 Rs	2016 Rs	2017 Rs	2016 Rs
ASSETS					
Non-current assets					
Plant and equipment	5	8,346,538	15,482,056	-	-
Intangible assets	6	417,473	459,153	-	-
Deferred tax assets	7	857,711	1,094,664	-	-
Investments in subsidiaries	8	-	-	18,607,575	5,957,575
Investment in associate	9	2,404,916	-	-	-
Other financial assets	10	5,114,055	-	5,114,055	-
		17,140,693	17,035,873	23,721,630	5,957,575
Current assets					
Inventories	11	4,712,171	3,635,945	-	-
Trade and other receivables	12	78,692,234	63,583,883	11,072,362	15,758,743
Other financial assets	10	1,243,908	-	-	-
Cash and cash equivalents		65,421,288	39,935,194	21,285,020	11,744,717
		150,069,601	107,155,022	32,357,382	27,503,460
TOTAL ASSETS		167,210,294	124,190,895	56,079,012	33,461,035
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	13	100,000	100,000	100,000	100,000
Retained earnings		94,382,921	75,999,761	55,749,989	32,974,623
Translation reserves		1,860,791	1,931,616	-	-
Equity attributable to the owner of the parent		96,343,712	78,031,377	55,849,989	33,074,623
Non-controlling interest		(48)	(57,138)	-	-
TOTAL EQUITY		96,343,664	77,974,239	55,849,989	33,074,623
Non-current liabilities					
Obligations under finance lease	14	1,324,608	2,574,426	-	-
Deferred tax liabilities	7	43,716	767,299	-	-
Retirement benefit obligations	15	5,351,792	4,737,266	-	-
		6,720,116	8,078,991	-	-
Current liabilities					
Trade and other payables	16	60,161,879	34,334,750	229,023	309,600
Obligations under finance lease	14	733,929	1,225,715	-	-
Current tax liabilities	20	3,250,706	2,577,200	-	76,812
		64,146,514	38,137,665	229,023	386,412
TOTAL EQUITY AND LIABILITIES		167,210,294	124,190,895	56,079,012	33,461,035

Approved and authorised for issue by Board of Directors on 6 November 2017 and signed on its behalf by:



Sanjeev V. Manrakhani
Director

6th November 2017



Sunil K. Banyamandhub
Director (Chairman, Audit
Committee)

The notes on pages 78 to 102 form an integral part of these financial statements. Auditors' report on pages 71 to 73.

Statements of Profit or Loss and Other Comprehensive Income

	Notes	The Group		The Company	
		2017 Rs	2016 Rs	2017 Rs	2016 Rs
Continuing operations					
Revenue		272,555,693	220,670,469	-	-
Cost of sales		(199,377,408)	(156,390,095)	-	-
Gross profit		73,178,285	64,280,374	-	-
Other income	17	1,187,202	2,818,513	24,194,645	19,128,645
		74,365,487	67,098,887	24,194,645	19,128,645
Administrative and other expenses	18	(58,010,153)	(56,058,524)	(1,337,446)	(1,084,723)
Net foreign exchange gains/(losses)		2,980,104	4,140,673	(2,329)	(9,142)
Finance costs	19	(201,682)	(328,031)	(57)	(3,764)
Share of loss of associate	9	(1,095,084)	-	-	-
Net profit before taxation for the year		18,038,672	14,853,005	22,854,813	18,031,016
Taxation	20(b)	(4,299,262)	(4,040,884)	(79,447)	(172,800)
Net profit for the year from continuing operations		13,739,410	10,812,121	22,775,366	17,858,216
Discontinued operations					
Profit for the year from discontinued operations	8(c)	4,692,353	7,540,462	-	-
NET PROFIT FOR THE YEAR		18,431,763	18,352,583	22,775,366	17,858,216
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(62,338)	(53,403)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		18,369,425	18,299,180	22,775,366	17,858,216
Profit for the year attributable to:					
Owner of the Company		18,383,160	18,369,341	22,775,366	17,858,216
Non-controlling interests		48,603	(16,758)	-	-
		18,431,763	18,352,583	22,775,366	17,858,216
Total comprehensive income attributable to:					
Owner of the Company		18,312,335	18,315,843	22,775,366	17,858,216
Non-controlling interests		57,090	(16,663)	-	-
		18,369,425	18,299,180	22,775,366	17,858,216

The notes on pages 78 to 102 form an integral part of these financial statements. Auditors' report on pages 71 to 73.

Statements of Changes in Equity

	Stated Capital	Retained Earnings	Translation Reserves	Attributable to the owners of the parent	Non-Controlling Interest	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs
The Group						
At 1 July 2015	100,000	57,630,420	1,985,114	59,715,534	(40,475)	59,675,059
Net profit for the year	-	18,369,341	-	18,369,341	(16,758)	18,352,583
Other comprehensive income for the year	-	-	(53,498)	(53,498)	95	(53,403)
Total comprehensive income for the year	-	18,369,341	(53,498)	18,315,843	(16,663)	18,299,180
At 30 June 2016	100,000	75,999,761	1,931,616	78,031,377	(57,138)	77,974,239
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 for the year	-	-	(70,825)	(70,825)	8,487	(62,338)
Total comprehensive income 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

	Stated Capital	Retained Earnings	Total
	Rs	Rs	Rs
The Company			
At 1 July 2015	100,000	15,116,407	15,216,407
Net profit for the year	-	17,858,216	17,858,216
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	17,858,216	17,858,216
At 30 June 2016	100,000	32,974,623	33,074,623
At 1 July 2016	100,000	32,974,623	33,074,623
Net profit for the year	-	22,775,366	22,775,366
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	22,775,366	22,775,366
At 30 June 2017	100,000	55,749,989	55,849,989

The notes on pages 78 to 102 form an integral part of these financial statements. Auditors' report on pages 71 to 73.

Statements of Cash Flows

	Note	The Group		The Company	
		2017 Rs	2016 Rs	2017 Rs	2016 Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from/(used in) operations	21	43,537,040	31,737,748	3,328,853	(1,823,130)
Interest received		543,242	664,684	354,263	1,128,645
Interest paid		(6,049)	(54,468)	(57)	-
Income tax paid		(6,709,318)	(3,903,004)	(219,083)	(204,653)
Net cash generated from/(used in) operating activities		37,364,915	28,444,960	3,463,976	(899,138)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of plant and equipment		(2,462,336)	(5,677,509)	-	-
Purchase of intangible assets		(186,001)	(242,394)	-	-
Proceeds from disposal of plant and equipment		2,377,906	964,661	-	-
Proceeds on disposal of subsidiary		189,361	-	189,361	-
Investment in subsidiaries		-	-	(12,750,000)	(5,356,575)
Investment in associates		(3,500,000)	-	-	-
Investment in other financial assets		(6,357,963)	-	(5,114,055)	-
Dividend received		-	-	23,751,021	18,000,000
Net cash (used in)/generated from investing activities		(9,939,033)	(4,955,242)	6,076,327	12,643,425
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan received		-	2,102,954	-	-
Repayment of obligations under finance lease		(1,939,788)	(1,599,902)	-	-
Net cash (used in)/generated from financing activities		(1,939,788)	503,052	-	-
Increase in cash and cash equivalents		25,486,094	23,992,770	9,540,303	11,744,287
Cash and cash equivalents at 1 July		39,935,194	15,942,424	11,744,717	430
Cash and cash equivalents at 30 June		65,421,288	39,935,194	21,285,020	11,744,717

The notes on pages 78 to 102 form an integral part of these financial statements. Auditors' report on pages 71 to 73.

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 2016.

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 1 Presentation of Financial Statements - Amendments resulting from the disclosure initiative
- IAS 16 Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation
- IAS 19 Employee Benefits - Amendments resulting from September 2014 Annual Improvements to IFRSs
- IAS 27 Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements

- IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture
- IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception
- IAS 38 Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation
- IFRS 7 Financial instruments - Amendments resulting from September 2014 Annual Improvements to IFRS
- IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture
- IFRS 10 Consolidated Financial Statements - Amendments regarding the application of the consolidation exception
- IFRS 12 Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception

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 7 Statement of Cash Flows - Amendments as result of the Disclosure initiative (effective 1 January 2017)
- IAS 12 Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses (effective 1 January 2017)
- 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)

Notes to the Financial Statements

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

2.2 New and revised IFRSs in issue but not yet effective (cont'd)

- IAS 39 Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018)
- IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (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 12 Disclosure of Interests in Other Entities - Amendments resulting from Annual Improvements 2014-2016 Cycle (clarifying scope) (effective 1 January 2017)
- IFRS 15 Revenue from Contracts with Customers (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.

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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of consolidation (Cont'd)

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 initial 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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Foreign Currencies (Cont'd)

(iii) Group companies (Cont'd)

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 value 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.

(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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Taxation (Cont'd)

(ii) Deferred tax (Cont'd)

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.

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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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 subsequently reverses, 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 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 is recognised in the statement of financial position as a non-current liability and is 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) Share 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.

Notes to the Financial Statements

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.

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 be 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.

Notes to the Financial Statements

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 2015	5,385,713	3,909,101	3,546,620	15,616,287	28,457,721
Translation	8,642	33,140	8,321	38,957	89,060
Additions	2,487,939	647,970	66,470	2,475,130	5,677,509
Disposals	(721,002)	(2,435)	(254,620)	(2,987,213)	(3,965,270)
At 30 June 2016	7,161,292	4,587,776	3,366,791	15,143,161	30,259,020
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
DEPRECIATION					
At 1 July 2015	1,601,501	1,006,125	746,420	9,232,155	12,586,201
Translation	(177)	4,399	183	2,058	6,463
Charge for the year	1,556,404	824,421	817,779	2,512,064	5,710,668
Disposals	(424,927)	(2,435)	(252,423)	(2,846,583)	(3,526,368)
At 30 June 2016	2,732,801	1,832,510	1,311,959	8,899,694	14,776,964
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
NET BOOK VALUE					
At 30 June 2017	3,250,142	910,826	1,182,005	3,003,565	8,346,538
At 30 June 2016	4,428,491	2,755,266	2,054,832	6,243,467	15,482,056

Plant and equipment includes vehicles with a net book value of Rs 1,937,762 (2016: Rs 3,391,450) held under finance lease.

Notes to the Financial Statements

6. INTANGIBLE ASSETS

	The Group	
	2017 Rs	2016 Rs
COST		
At 1 July	921,988	679,594
Additions	186,001	242,394
At 30 June	1,107,989	921,988
DEPRECIATION		
At 1 July	462,835	288,715
Charge for the year	227,681	174,120
At 30 June	690,516	462,835
NET BOOK VALUE		
At 30 June	417,473	459,153

Intangible assets consist of acquired software.

7. DEFERRED TAX

Deferred taxes are calculated on all temporary differences on the liability method at 15% (2016:15%). The following amounts are shown in the statement of financial position:

	The Group	
	2017 Rs	2016 Rs
Deferred tax assets	857,711	1,094,664
Deferred tax liabilities	(43,716)	(767,299)
	813,995	327,365

Movement on the deferred tax account:

	The Group	
	2017 Rs	2016 Rs
At 1 July	327,365	553,143
Translation	(26)	88
Charge for the year (note 20 (b))	486,656	(225,866)
At 30 June	813,995	327,365
Analysed as follows:		
- Accelerated capital allowances	(486,227)	(767,299)
- Retirement benefit obligations	802,768	703,338
- Allowance for doubtful debts	190,658	268,950
- Unrealised foreign exchange gain	(19,305)	-
- Other provisions	58,247	122,376
- Tax losses	267,854	-
	813,995	327,365

Notes to the Financial Statements

8. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2017 Rs	2016 Rs
At 1 July	5,957,575	601,000
Additions	12,750,000	5,356,575
Disposals	(100,000)	-
At 30 June	18,607,575	5,957,575

(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	Effective Shareholding	
			2017 Direct %	2017 Indirect %
Infosystems AA Ltd (formerly known as Anglo African Systems Ltd)	Ordinary	Mauritius	100	-
Digiconsult AA Ltd (formerly known as Anglo African Telecommunications Ltd)	Ordinary	Mauritius	100	-
Ventures AA Ltd (formerly known as Anglo African Labs Ltd)	Ordinary	Mauritius	100	-
Anglo African International Ltd ¹	Ordinary	Mauritius	100	-
Anglo African Ltd	Ordinary	Mauritius	100	-
Anglo African Consulting Ltd	Ordinary	Mauritius	100	-
MobiMEA Ltd ²	Ordinary	Mauritius	100	-
Anglo NanoBNK Ltd ³	Ordinary	Mauritius	100	-
Anglo African Madagascar SARL ⁴	Ordinary	Madagascar	-	99
Anglo African Rwanda Limited ⁴	Ordinary	Rwanda	-	100
Anglo African Zimbabwe (Private) Limited	Ordinary	Zimbabwe	-	100
Anglo African Zambia Limited ⁵	Ordinary	Zambia	-	100
NanoSAIO Ltd ³	Ordinary	Mauritius	-	100
NanoAFRI AA Ltd ³	Ordinary	Mauritius	-	100

(1) The share capital of Anglo African International Ltd was increased from USD 150,000 in 2016 to USD 300,000 in 2017.

(2) MobiMEA Ltd was disposed of in December 2016.

(3) Anglo NanoBNK Ltd, NanoSAIO Ltd and NanoAFRI AA Ltd were incorporated in 2017.

(4) Anglo African Madagascar SARL and Anglo African Rwanda Ltd are in the process of winding up.

(5) The share capital of Anglo African Zambia Ltd was increased from ZMW 10,000 in 2016 to ZMW 300,000 in 2017.

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

Notes to the Financial Statements

8 INVESTMENTS IN SUBSIDIARIES (Cont'd)

(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	2016 Rs
Revenue	46,757,840	71,197,422
Cost of sales	(40,768,408)	(58,130,890)
Gross profit	5,989,432	13,066,532
Administrative expenses (note 18)	(1,221,711)	(5,226,268)
Net foreign exchange gains/(losses)	819,306	986,523
Finance costs (note 19)	(2,549)	(48,831)
Net profit before tax from discontinued operations	5,584,478	8,777,956
Taxation	(892,125)	(1,237,494)
Net profit after tax from discontinued operations	4,692,353	7,540,462
Cash flows from discontinued operations		
Cash flows from operating activities	9,086,392	(3,440,974)
Cash flows from investing activities	900,000	204,734
Cash flows from financing activities	(6,562,717)	(5,229,123)
Net cash flows from discontinued operations	3,423,675	(8,465,363)

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATE

Detail of the Group's material associate at 30 June 2017 is 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 2016 have been used and appropriate adjustments have been made for the effect for material transactions between that date and 30 June 2017.

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

	The Group
	2017 Rs
Non current assets	1,007,640
Current assets	1,390,709
Non current liabilities	207,134
Current liabilities	2,729,983
Revenue	1,810,978
Loss for the period	(2,385,804)
Group's share of post acquisition loss of the associate	(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
	2017 Rs
Net liabilities of the associate	(538,768)
% held by the Group	45.90%
Share of net liabilities	(247,295)
Goodwill	2,652,211
Carrying amount of the Group's interest in ION	2,404,916

10. OTHER FINANCIAL ASSETS

	The Group		The Company	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
- Maturing within 1 year	1,243,908	-	-	-
- Maturing between 2 and 5 years	5,114,055	-	5,114,055	-
	6,357,963	-	5,114,055	-

Other financial assets represent deposits with financial institutions, which 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.

Notes to the Financial Statements

11. INVENTORIES

	The Group	
	2017 Rs	2016 Rs
Mobile devices	-	1,469,717
ICT equipment	5,111,170	3,311,299
	5,111,170	4,781,016
Less provision for write down of inventories	(398,999)	(1,145,071)
	4,712,171	3,635,945

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

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Trade receivables	70,920,665	55,468,349	-	-
Allowance for doubtful debts	(914,552)	(1,436,492)	-	-
	70,006,113	54,031,857	-	-
Tax receivable	1,712,679	-	62,824	-
Other receivables	6,973,442	9,552,026	89,261	-
Amounts due from related parties	-	-	10,920,277	15,758,743
	78,692,234	63,583,883	11,072,362	15,758,743

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 2.3% p.a, are unsecured and are receivable within 6 months.

	The Group	
	2017 Rs	2016 Rs
Ageing of past due but not impaired trade receivables		
Up to 60 days	5,071,874	16,150,525
61 to 120 days	-	762,803
121 to 180 days	92,719	14,197
Over 180 days	297,932	1,773,661
	5,462,525	18,701,186
Ageing of impaired trade receivables		
61 to 120 days	61,636	-
Over 180 days	852,916	1,463,065
	914,552	1,463,065
Movement in the allowance for doubtful debts		
At 1 July		
Provision for the year	1,436,492	821,962
Amounts written off	1,208,715	861,839
At 30 June	(1,730,655)	(247,309)
	914,552	1,436,492

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.

Notes to the Financial Statements

13. STATED CAPITAL

Issued and fully paid:
1,000 Ordinary shares

The Group & The Company	
2017 Rs	2016 Rs
100,000	100,000

14. 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 rates of interest on finance leases range from 7% to 8.5%. The Group's obligations under finance leases are secured by the lessors title to the leased assets.

Maturity analysis:	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
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Minimum lease payments	863,436	1,422,283	1,467,292	2,834,514
Less: Interest	(129,507)	(97,675)	(241,577)	(260,088)
Principal (borrowings)	733,929	1,324,608	1,225,715	2,574,426

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	
	2017 Rs	2016 Rs
At 1 July	4,737,266	4,096,494
Translation	(2,020)	-
Provision for the year	616,546	640,772
At 30 June	5,351,792	4,737,266

Notes to the Financial Statements

16. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Trade payables	35,653,898	12,171,637	-	-
Other payables	24,507,981	21,109,644	157,500	209,600
Due to related parties	-	1,053,469	71,523	100,000
	60,161,879	34,334,750	229,023	309,600

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

The amount due to related party is unsecured, interest free and repayable within 6 months.

17. OTHER INCOME

	The Group		The Company	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Sundry revenues	554,599	1,628,070	-	-
Dividend income	-	-	23,751,021	18,000,000
Profit on disposal of plant and equipment	-	525,759	-	-
Gain on disposal of subsidiary	89,361	-	89,361	-
Interest income	543,242	664,684	354,263	1,128,645
	1,187,202	2,818,513	24,194,645	19,128,645

18. ADMINISTRATIVE AND OTHER EXPENSES

	The Group		The Company	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Depreciation and amortisation	5,995,379	5,884,788	-	-
Loss on disposal of plant and equipment	1,347,029	-	-	-
Staff costs	35,614,314	37,808,014	-	-
Impairment loss on trade receivables	1,208,715	861,839	-	-
Others	15,066,427	16,730,151	1,337,446	1,084,723
	59,231,864	61,284,792	1,337,446	1,084,723
Attributable to:				
- Continuing operations	58,010,153	56,058,524	1,337,446	1,084,723
- Discontinued operations (note 8(c))	1,221,711	5,226,268	-	-
	59,231,864	61,284,792	1,337,446	1,084,723

19. FINANCE COSTS

	The Group		The Company	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Interest on bank overdraft	6,049	54,468	57	-
Interest on current account	-	-	-	3,764
Interest on finance leases	198,182	322,394	-	-
	204,231	376,862	57	3,764
Attributable to:				
- Continuing operations	201,682	328,031	57	3,764
- Discontinued operations (note 8(c))	2,549	48,831	-	-
	204,231	376,862	57	3,764

Notes to the Financial Statements

20. CURRENT TAX LIABILITIES

	The Group		The Company	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
(a) Statement of financial position				
At 1 July, tax liabilities	2,577,200	2,569,455	76,812	108,665
At 1 July, tax receivable	-	(1,141,218)	-	-
Translation	(7,898)	(545)	-	-
(Over)/under provision in prior years	(243,929)	-	1,290	-
Income tax provision for the year	5,921,972	4,713,512	78,157	172,800
Income tax paid	(6,709,318)	(3,903,004)	(219,083)	(204,653)
Provision for tax assessments	-	339,000	-	-
Transfer to tax receivable	1,712,679	-	62,824	-
At 30 June	3,250,706	2,577,200	-	76,812
(b) Statement of profit or loss				
Income tax provision for the year	5,921,972	4,713,512	78,157	172,800
(Over)/under provision in prior years	(243,929)	-	1,290	-
Deferred tax (note 7)	(486,656)	225,866	-	-
Provision for tax assessments	-	339,000	-	-
	5,191,387	5,278,378	79,447	172,800
Attributable to:				
- Continuing operations	4,299,262	4,040,884	79,447	172,800
- Discontinued operations	892,125	1,237,494	-	-
	5,191,387	5,278,378	79,447	172,800
(c) Reconciliation between tax on accounting profit and income tax:				
Profit before tax and loss of associate	19,133,756	14,853,005	22,854,813	18,031,016
Tax at the rate of 15% / 3%	4,805,575	2,910,648	3,428,222	2,704,652
Impact of higher tax rate in foreign countries	214,156	-	-	-
Foreign tax charge	61,564	211,701	-	-
Corporate social responsibility contribution	996,997	465,659	27,971	14,489
Non allowable expenses	416,248	345,932	198,020	153,659
(Over)/under provision in prior years	(243,928)	-	1,291	-
Income not subject to tax	1,897,549	-	(3,576,057)	(2,700,000)
Provision for tax assessments	-	339,000	-	-
Tax losses brought forward	(338,668)	-	-	-
Tax losses not recognised	(2,618,106)	1,005,438	-	-
Income tax expense	5,191,387	5,278,378	79,447	172,800
Attributable to:				
- Continuing operations	4,299,262	4,040,884	79,447	172,800
- Discontinued operations	892,125	1,237,494	-	-
	5,191,387	5,278,378	79,447	172,800

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

Notes to the Financial Statements

21. NOTES TO THE STATEMENTS OF CASH FLOWS

	The Group		The Company	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Cash flow from operating activities				
Profit before tax from continuing operations	18,038,672	14,853,005	22,854,813	18,031,016
Profit before tax from discontinued operations	5,584,478	8,777,956	-	-
Adjustments for:				
Depreciation of plant and equipment	5,767,698	5,710,668	-	-
Amortisation of intangible assets	227,681	174,120	-	-
Dividend income	-	-	(23,751,021)	(18,000,000)
Interest income	(543,242)	(664,684)	(354,263)	(1,128,645)
Interest expense	204,231	376,862	(57)	-
Exchange differences	32,993	(136,633)	-	-
Movement in retirement benefit obligations	616,546	640,772	-	-
Loss/(profit) on disposal of plant and equipment	1,347,029	(525,759)	-	-
Profit on disposal of subsidiary	(89,361)	-	(89,361)	-
Share of loss from associates	1,095,084	-	-	-
Impairment of trade receivables	1,208,715	861,839	-	-
Movement in inventory provision	(746,072)	775	-	-
	32,744,452	30,068,921	(1,339,775)	-1,097,629
Changes in working capital:				
Movement in inventories	(330,154)	14,730,789	-	-
Movement in trade and other receivables	(14,704,387)	30,698,161	4,749,205	(768,656)
Movement in trade and other payables	25,827,129	(43,760,123)	(80,577)	43,155
Cash generated from/(used in) operations	43,537,040	31,737,748	3,328,853	(1,823,130)

Notes to the Financial Statements

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	Directors and key management personnel		Directors and key management personnel	
	Shareholder		Shareholder	
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Amount due to related parties	-	-	-	(1,053,469)
Amount due from related parties	-	130,442	-	-
Remuneration	7,085,858	-	7,136,113	-

The Company	Directors and key management personnel		Directors and key management personnel	
	Subsidiaries		Subsidiaries	
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Investments in subsidiaries	-	18,607,575	-	5,957,575
Amount due to related parties	-	(71,523)	-	(100,000)
Amount due from related parties	-	10,920,277	-	15,758,743
Dividend and interest income	-	23,910,792	-	19,128,645
Remuneration	595,000	-	230,000	-

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.

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 2017 amounted to Rs 19,858,057 (2016: Rs 7,338,661).

24. CAPITAL COMMITMENTS

At 30 June 2017, the Group had no capital commitments (2016: Nil).

Notes to the Financial Statements

25. FINANCIAL RISK MANAGEMENT

25.1 Overview

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

The Company'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 Company is exposed to the following risks:

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company'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 significant accounting policies in respect of financial asset, financial liability and equity instrument as well as the basis on which income and expenses are recognised, is 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 Company 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 Company'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 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 2017 and 2016 is nil considering the strong cash reserves held and hence is not exposed to risk relating to high gearing.

Notes to the Financial Statements

25. FINANCIAL RISK MANAGEMENT (Cont'd)

25.4 Categories of financial instruments

Financial assets

Loan and receivables
Cash and cash equivalents

Financial liabilities

At amortised cost

The Group		The Company	
2017 Rs	2016 Rs	2017 Rs	2016 Rs
82,456,318	64,838,135	16,123,593	15,758,743
65,421,288	39,935,194	21,285,020	11,744,717
147,877,606	104,773,329	37,408,613	27,503,460
51,165,783	28,180,034	229,023	309,600

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 measurement of the Company's financial assets and liabilities is 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/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 9 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 Company'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.

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.

	2017	2016
Obligations under finance lease	7.50%	7% - 8.5%

Notes to the Financial Statements

25. FINANCIAL RISK MANAGEMENT (Cont'd)

25.6 Market risk (Cont'd)

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 dollars ('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), Zambian Kwacha (ZMW) and Rwanda Francs (RWF), 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 Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
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
2016				
Currency				
Mauritian rupee ('Rs')	51,306,978	19,297,889	27,503,460	309,600
United States dollars ('USD')	49,925,932	6,632,568	-	-
Others	3,540,419	2,249,577	-	-
	104,773,329	28,180,034	27,503,460	309,600

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		
2017		
Loan and receivables	49,124,554	-
Cash and cash equivalents	863,436	1,422,283
	49,987,990	1,422,283
2016		
Trade and other payables	34,334,750	-
Borrowings	1,467,292	2,834,514
	35,802,042	2,834,514
The Company		
2017		
Trade and other payables	229,023	-
	229,023	-
2016		
Trade and other payables	309,600	-
	309,600	-

26. FINANCIAL SUMMARY

	2017 Rs	2016 Rs	2015 Rs	2014 Rs	2013 Rs
The Group					
Shareholders' Funds	96,343,712	78,031,377	59,715,534	41,734,608	33,735,056
Revenue	272,555,693	291,867,891*	339,137,740*	259,433,390*	178,212,413*
Profit after tax	18,431,763	18,352,583	17,758,639	7,257,725	7,016,506
Earnings per share	18,432	18,353	17,759	7,258	7,017

* includes revenue of MobiMea Ltd