Notes to the Financial Statements - Year Ended 30 June 2015

1. General information and statement of compliance with International Financial Reporting Standards (IFRS)

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

The Company and its subsidiaries are together referred as " the Group".

The principal activities of the Group is to provide telecommunications and IT services.

The consolidated financial statements are presented in Mauritian Rupee (MUR), which is also the functional currency of the Group.

The consolidated financial statements of the Group have been prepared in accordance with IFRS as issued by International Accounting Standards Board (IASB).

2. (i) Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, except that available-for-sale financial assets are stated at fair value.

Relevant Standards, Amendments to published Standards and Interpretations effective in the reporting period

Amendments to IAS 32, 'Offsetting Financial Assets and Financial Liabilities', clarify the requirements relating to the offset of financial assets and financial liabilities. The amendment is not expected to have any impact on the Company's financial statements.

Amendments to IAS 36, 'Recoverable Amount Disclosures for Non- financial Assets', remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated. The amendment has no impact on the Company's financial statements.

Annual Improvements 2010-2012 Cycle

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Company's financial statements.

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Company's financial statements.

IAS 16,'Property, plant and equipment' and IAS 38,'Intangible are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Company's financial statements.

IAS 24,'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Company's financial statements.

Annual Improvements 2011-2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Company's financial statements, since the Company is an existing IFRS preparer.

IFRS 3,'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Company's financial statements.

Notes to the Financial Statements - Year Ended 30 June 2015

1. General information and statement of compliance with International Financial Reporting Standards (IFRS) - (Cont'd)

Annual Improvements 2011-2013 Cycle - (Cont'd)

IFRS 13,'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2015 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- IFRS 14 Regulatory Deferral Accounts
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
- IFRS15 Revenue from Contract from Customers
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Equity Method in Separate Financial Statements (Amendments to IAS 27)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Annual Improvements to IFRSs 2012-2014 Cycle
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
- Disclosure Initiative (Amendments to IAS 1)

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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 3.

2. (ii) Summary of accounting policies

(a) Plant and equipment

All property, plant and equipment are stated at historical cost less depreciation.
Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life. The principal annual rates used are as follows:
Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Building	2%
Motor vehicles	20%
Office equipment	20%-33.3%
Computer equipment	20%-50%
Furniture and fittings	20%

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income.

Notes to the Financial Statements - Year Ended 30 June 2015

2. (ii) Summary of accounting policies - (Cont'd)

(b) Intangible assets

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost plus any implemetation charges and amortised over its estimated useful lives of 3 to 5 years on a straight line basis.

(c) Investments in subsidiaries

Company

Investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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 interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, 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. Subsequently 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 the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Notes to the Financial Statements - Year Ended 30 June 2015

2. (ii) Summary of accounting policies - (Cont'd)

(d) Financial instruments

(i) Financial assets

The Group classifies its financial assets in the following categories: financial assets through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition. **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group/Company commit to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group/Company have transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group/Company establish fair value by using valuation techniques. These include the use of recent arm's length transactions and reference to other instruments that are substaintially the same.

Impairment of financial assets

The Group/Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition at cost and the current fair value, less any impairment on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the statement of comprehensive income.

If the fair value of a previously impaired debt security increases and the increase can be objectively related to an event occuring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in the statement of comprehensive income.

(ii) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group/Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of comprehensive income.

(iii) Trade payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements - Year Ended 30 June 2015

2. (ii) Summary of accounting policies - (Cont'd)

(d) Financial instruments - (Cont'd)

(iv) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group/Company have an unconditional right defer settlement of the liability for at least twelve months after the end of the reporting period.

(v) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(vi) Stated capital

Ordinary shares are classified as equity.

(e) Taxation

Income tax expense represents the sum of the tax currently payable, deferred tax and corporate social responsibility provision.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income 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. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

(ii) Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates that have been enacted at the statement of financial position date and are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

(f) Retirement benefit obligations

The Company does not operate any pension plan for the benefit of its employees or directors.

Severance allowance

Under the Employment Relations Act, employees are entitled to severance allowance on reaching retirement age. Full provision for payment of severance allowance has been made in the financial statements.

State plan

Contributions to the National Pension Scheme are expensed to the statement of comprehensive income in the period in which they fall due.

Notes to the Financial Statements - Year Ended 30 June 2015

2. (ii) Summary of accounting policies - (Cont'd)

(g) Impairment of assets

Assets that have an indefinite useful life are subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(h) Accounting for leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Payment made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income unless they are attributable to qualifying assets in which case, they are capitalised

The property, plant and equipment acquired under finance lease contracts is depreciated over the useful life of the asset.

(i) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents income derived from the provision of telecommunications and IT services net of Value Added Tax. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Other revenues earned by the Group and the Company are recognised on the following bases:
- Interest income - when interest is actually credited to the company's bank account.
- Dividend income - when the shareholder's right to receive payment is established.

(j) Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the reporting currency as follows:

a. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
b. income and expenses for each statement of comprehensive income are translated at average exchange rates;
c. all resulting exchange differences are recognised as a separate component of equity. None of the group entities report under a currency of a hyperinflationary economy.

Notes to the Financial Statements - Year Ended 30 June 2015

2. (ii) Summary of accounting policies - (Cont'd)

(j) Foreign currencies

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity.

When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(k) Provisions

Provisions are recognised when the Group and the Company have a present or constructive obligation as a result of past events and it is probable that it will result in an outflow of resources that can be reasonably estimated to settle the obligation.

(l) Related parties

Related parties are 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.

3. Critical accounting judgements and key sources of uncertainty

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

(a) Impairment of Property, plant and equipment and Intangible assets

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

(b) Depreciation policies

Property, plant and equipment and Intangible assets (software) are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from the disposal of the assets, if the asset were already of the age in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of the assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

(c) Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of the investment. The value in use calculation requires the directors to estimate the future cash flows expected to arise from that investment and a suitable discount rate in order to calculate present value. The actual results could, however, differ from the estimates.

(d) Provision for doubtful debts

Management reviews the debtors portfolio on a regular basis and makes provision for doubtful debts based on its estimates on the recoverable amount 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.

(e) 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 - Year Ended 30 June 2015

3. Critical accounting judgements and key sources of uncertainty (Cont'd)

(f) 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.

4. Property, Plant and Equipment

The Group

	Computer equipment Rs	Office equipment Rs	Tools and equipment Rs	Furniture and Fittings Rs	Motor Vehicles Rs	Total Rs
COST						
At July 01, 2014	3,580,628	795,499	376,879	1,760,558	12,306,316	18,819,880
Reclassification to Intangible assets	(515,111)	-	-	-	-	(515,111)
Additions	2,490,600	160,363	2,576,360	1,786,062	3,377,071	10,390,456
Disposals	(170,404)	-	-	-	(67,100)	(237,504)
At June 30, 2015	5,385,713	955,862	2,953,239	3,546,620	15,616,287	28,457,721
DEPRECIATION						
At July 01, 2014	839,729	414,414	154,304	90,505	7,535,932	9,034,884
Reclassification to Intangible assets	(167,798)	-	-	-	-	(167,798)
Charge for the year	969,051	130,957	306,450	655,915	1,712,997	3,775,370
Disposals	(39,481)	-	-	-	(16,774)	(56,255)
At June 30, 2015	1,601,501	545,371	460,754	746,420	9,232,155	12,586,201
NET BOOK VALUE						
At June 30, 2015	3,784,212	410,491	2,492,485	2,800,200	6,384,132	15,871,520
COST						
At July 01, 2013	3,372,837	539,929	376,879	1,454,816	12,235,088	17,979,549
Additions	1,757,522	270,569	-	1,723,853	1,423,978	5,175,922
Disposals	(1,549,731)	(14,999)	-	(1,418,111)	(1,352,750)	(4,335,591)
At June 30, 2014	3,580,628	795,499	376,879	1,760,558	12,306,316	18,819,880
DEPRECIATION						
At July 01, 2013	1,614,606	351,629	78,928	1,275,505	7,156,470	10,477,138
Charge for the year	630,876	77,784	75,376	209,704	1,688,011	2,681,751
Disposals	(1,405,753)	(14,999)	-	(1,394,704)	(1,308,549)	(4,124,005)
At June 30, 2014	839,729	414,414	154,304	90,505	7,535,932	9,034,884
NET BOOK VALUE						
At June 30, 2014	2,740,899	381,085	222,575	1,670,053	4,770,384	9,784,996

Property, plant and equipment includes vehicles with a net book value of Rs 3,393,104 (2014: Rs 3,404,607) held under finance lease.

Notes to the Financial Statements - Year Ended 30 June 2015

5. Intangible Assets

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
COST				
Reclassified from Property, plant and equipment	515,111	-	-	-
Additions	164,483	-	-	-
At June 30, 2015	679,594	-	-	-
DEPRECIATION				
Reclassified from Property, Plant and equipment	167,798	-	-	-
Charge for the year	120,917	-	-	-
At June 30, 2015	288,715	-	-	-
NET BOOK VALUE				
At June 30, 2015	390,879	-	-	-
At June 30, 2014	-	-	-	-

Intangible assets consist of acquired software.

6. Deferred Tax

(a) Deferred taxes are calculated on all temporary differences on the liability method at 15% (2014:15%). The following amounts are shown in the statement of financial position:

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Deferred tax asset	559,517	1,123,197	-	-
Deferred tax liability	(6,374)	-	-	-
	553,143	1,123,197	-	-
The movement on the deferred tax account:				
At July 01,	1,123,197	(160,225)	-	-
Re-allocation of balance	-	397,908	-	-
Translation	(43,095)	-	-	-
Statement of comprehensive income charge	(526,959)	885,514	-	-
At June 30,	553,143	1,123,197	-	-
Analysed as follows:				
- Accelerated capital allowances	(678,399)	(483,510)	-	-
- Unutilised tax losses	-	398,511	-	-
- Retirement benefit obligations	614,474	618,407	-	-
- Provision for doubtful debts	352,001	228,707	-	-
- Other Provisions	265,067	361,082	-	-
	553,143	1,123,197	-	-

Notes to the Financial Statements - Year Ended 30 June 2015

7. Investments In Subsidiaries

	The Company	
	2015 Rs	2014 Rs
At July 01,	601,655	501,000
Additions	-	100,655
Disposals	(655)	-
At June 30,	601,000	601,655

The financial statements of the following subsidiary companies have been included in the consolidated financial statements.

Name of company	Year ended	Class of Shares held	Country of incorporation and operation	Stated capital	% holding
Anglo African Ltd	June 30	Ordinary	Mauritius	MUR 100,000	100
Anglo African Systems Ltd	June 30	Ordinary	Mauritius	MUR 100,000	100
Anglo African Telecommunications Ltd	June 30	Ordinary	Mauritius	MUR 1,000	100
Anglo African Consulting Ltd	June 30	Ordinary	Mauritius	MUR 100,000	100
Anglo African International Ltd	June 30	Ordinary	Mauritius	MUR 100,000	100
MobiMEA Ltd	June 30	Ordinary	Mauritius	MUR 100,000	100
Anglo African Labs Ltd	June 30	Ordinary	Mauritius	MUR 100,000	100
Anglo African Madagascar SARL	June 30	Ordinary	Madagascar	MGA 2,000,000	99
Anglo African Rwanda Limited	June 30	Ordinary	Rwanda	RWF 15,000	100
Anglo African Zimbabwe (Private) Limited	June 30	Ordinary	Zimbabwe	USD 2,000	100

Anglo African Tanzania Limited is in the process of winding up, thus its financial statements have not been included in the preparation of the consolidated financial statements.

8. Inventories

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Mobile phones and tablets	17,356,224	5,860,438	-	-
Raw materials (Computer parts)	1,497,695	478,487	-	-
Accessories and displays	657,886	312,510	-	-
Less provision for write down of inventories	(1,144,296)	(1,469,849)	-	-
	18,367,509	5,181,586	-	-

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

Notes to the Financial Statements - Year Ended 30 June 2015

9. Trade and Other Receivables

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Trade receivables	85,523,469	71,073,014	-	-
Provision for doubtful debts	(821,962)	(35,548)	-	-
	84,701,507	71,037,466	-	-
Tax receivable	1,141,218	-	-	-
Other receivables	10,442,376	3,663,526	-	-
Amounts due by subsidiaries	-	-	14,990,087	-
	96,285,101	74,700,992	14,990,087	-

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 by subsidiaries bear interest at the rate of 9% p.a, are unsecured and do not have fixed terms of repayments.

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Ageing of past due but not impaired trade receivables				
1 to 60 days	25,619,297	12,410,155	-	-
61 to 120 days	796,484	2,881,682	-	-
121 to 180 days	112,569	10,693,116	-	-
Over 180 days	2,399,739	6,744,034	-	-
	28,928,088	32,728,987	-	-
Ageing of impaired trade receivables				
1 to 60 days	218,500	-	-	-
61 to 90 days	816,469	-	-	-
91 to 120 days	119,091	-	-	-
Over 120 days	264,403	35,548	-	-
	1,418,463	35,548	-	-
Movement in the provision for doubtful debts				
At July 01,	35,548	1,769,936	-	-
Provision for the year	1,054,164	194,121	-	-
Amounts written off	(267,750)	(1,928,509)	-	-
At June 30,	821,962	35,548	-	-

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 provision for doubtful debts.

Notes to the Financial Statements - Year Ended 30 June 2015

10. Stated Capital

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Issued and fully paid				
10,000 Ordinary shares of Rs 10 each	100,000	100,000	100,000	100,000

11. Borrowings

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Current				
Finance lease liabilities	948,331	1,468,159	-	-
Bank overdraft	-	7,267,343	-	-
	948,331	8,735,502	-	-
Non-current				
Finance lease liabilities	2,026,364	1,878,238	-	-
Total borrowings	2,974,695	10,613,740	-	-

(a) The Group enter into finance leasing arrangements for some of its motor vehicles. The Group have 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.

(b) The maturity of non-current borrowings is as follows:

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
After one year and before two years	1,517,301	934,897	-	-
After two years and before five years	509,063	943,341	-	-
	2,026,364	1,878,238	-	-

(c) The borrowings are denominated in Mauritian Rupees.

(d) The carrying amounts of borrowings approximate their fair value.

Notes to the Financial Statements - Year Ended 30 June 2015

12. Retirement Benefit Obligations

Post retirement benefits

Post retirement benefits comprise of mainly severance allowance payable under Employment Rights Act 2008 to employees on retirement.

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

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
At July 01,	4,122,715	2,906,297	-	-
Provision for the year	(26,221)	1,216,418	-	-
At June 30,	4,096,494	4,122,715	-	-

13. Trade and Other Payables

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Trade payables	45,999,597	24,945,359	40,350	-
Other payables	20,101,308	18,163,085	226,095	678,885
Due to related party	11,993,968	-	-	-
	78,094,873	43,108,444	266,445	678,885

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

The amount due to related party is unsecured, interest free and with no fixed terms of repayment.

14. Revenue

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Sales during the year	339,137,740	259,433,390	-	-

15. Operating Costs

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Materials and labour	247,870,519	182,462,827	-	-
Clearing and freight charges	6,269,141	9,678,866	-	-
	254,139,660	192,141,693	-	-

Notes to the Financial Statements - Year Ended 30 June 2015

16. Other Income

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Sundry revenues	49,754	643,145	-	-
Dividend income	-	-	15,000,000	-
Profit on disposal of non-current assets	1,996	30,871	168	-
Rental income	198,000	-	-	-
Interest income	308,068	10,628	740,347	-
	557,818	684,644	15,740,515	-

17. Administrative and Other Expenses

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Depreciation	3,896,291	2,681,750	-	-
Employee benefit expense (note a)	40,983,152	37,687,737	-	-
Provision for doutbful debts	1,054,164	3,757,071	-	-
Others	15,030,678	13,085,661	338,213	149,730
	60,964,285	57,212,219	338,213	149,730

(a) Employee Benefit Expense

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Wages and salaries	39,003,055	33,004,859	-	-
Training costs	484,970	1,165,083	-	-
Provision for retirement benefits	(26,221)	1,216,418	-	-
Other staff costs	1,521,348	2,301,377	-	-
	40,983,152	37,687,737	-	-

18. Finance Costs

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Interest on bank overdraft	42,343	501,521	-	-
Interest on lease	276,741	288,486	-	-
	319,084	790,007	-	-

Notes to the Financial Statements - Year Ended 30 June 2015

19. Current Tax Liabilities

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
(a) Statement of financial position				
At July 01,	926,534	582,971	-	-
Under/(over)provision in prior years	19,753	337,304	-	-
Income tax provision for the year	3,679,802	2,332,835	108,665	-
CSR provision	44,858	87,160	-	-
Income tax (paid)/refund	(3,242,710)	(2,413,736)	-	-
Transfer to tax receivable	1,141,218	-	-	-
At June 30,	2,569,455	926,534	108,665	-
(b) Statement of comprehensive income				
Income tax provision for the year	3,679,802	2,332,835	108,665	-
Under provision in prior years	19,753	-	-	-
Deferred tax (note 6)	526,959	(885,514)	-	-
CSR paid	254,820	52,478	-	-
	4,481,334	1,499,799	108,665	-

20. Notes to the statements of cash flows

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
(a) Cash generated from operations				
Profit before tax	22,239,973	8,757,524	15,402,302	(149,730)
Adjustments for:				
Depreciation on plant and equipment	3,896,291	2,681,751	-	-
Dividend income	-	-	(15,000,000)	-
Interest income	(308,068)	(10,628)	(740,347)	-
Interest expense	319,084	801,828	-	-
Retirement benefit obligation	(26,221)	1,216,518	-	-
Profit on disposal of non current assets	(1,996)	(5,808)	(168)	-
Provision for doubtful debts	1,054,164	3,757,071	-	-
Provision for slow moving stock	(325,553)	1,469,849	-	-
Loss on investments	-	252,975	-	-
Exchange difference	72,316	(34,934)	-	-
Deconsolidation of subsidiary	-	(92,512)	-	-
	26,919,990	18,793,634	(338,213)	(149,730)
Changes in working capital				
Inventories	(12,860,370)	11,720,434	-	-
Trade and other receivables	(21,532,606)	(34,527,817)	(14,990,087)	100,000
Trade and other payables	34,986,429	4,967,333	(412,440)	150,385
Cash generated from/(used in) operations	27,513,443	953,584	(15,740,740)	100,655

Notes to the Financial Statements - Year Ended 30 June 2015

(b) Cash and cash equivalents

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Bank and cash balances	15,942,424	9,671,524	430	-
Bank overdraft	-	(7,267,343)	-	-
	15,942,424	2,404,181	430	-

21. 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:

	Directors and Key Management personnel	Shareholder	Directors and Key Management personnel	Shareholder
The Group	2015 Rs	2015 Rs	2014 Rs	2014 Rs
Amount due to related parties	-	(11,993,968)	-	(1,238,643)
Amount due from related parties	-	34,903	-	-
Remuneration	9,345,694	-	8,841,790	-

	Subsidiaries	Shareholder	Subsidiaries	Shareholder
The Company	2015 Rs	2015 Rs	2014 Rs	2014 Rs
Investment in shares	601,000	-	601,655	-
Amount due to related parties	226,095	-	633,785	10,100
Amount due from related parties	14,990,087	-	-	-
Dividend and interest income	15,740,347	-	-	-
Gain on disposal of investment	168	-	-	-

Notes to the Financial Statements - Year Ended 30 June 2015

21. Related Party Transactions (Cont'd)

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year end are unsecured, with no fixed terms of repayment and are interest free. In the Company, amounts due from related parties bear interest at the rate of 9% per annum.

There have been no guarantees provided for or received from any related party receivables or payables. For the year ended June 30, 2015, the Group and the Company have not recorded any impairment of receivables relating to amount owed by related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In June 2015, after receiving the relevant regulatory approval, Anglo African Madagascar SARL (AAM) has effected a capital reduction of Rs 4,945,908 to reduce its accumulated retained loss. The investment held by Anglo African Ltd in AAM has been written off accordingly.

22. Earnings Per Share

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Basic earnings per share	1,775.80	726.15	1,529.36	-
Profit attributable to equity holders of the parent	17,758,034	7,261,471	15,293,637	-
Number of ordinary shares in issue	10,000	10,000	10,000	10,000

23. Contingent Liability

At June 30, 2015, the Group and the Company had contingent liabilities in respect of guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Group and the Company had given guarantees in the ordinary course of business, amounting to Rs 8,492,672 (2014: Rs 4,006,309) to third parties. It has also provided a standby letter of credit of USD 150,000 to one of its suppliers.

24. Capital Commitments

At June 30, 2015, the company had no capital commitments (2014: Nil).

25. Financial Summary

The Group	2015 Rs	2014 Rs	2013 Rs
Shareholders fund	59,675,059	41,690,862	33,695,070
Revenue	339,137,740	259,433,390	178,212,413
Profit after tax	17,758,639	7,257,725	7,016,506
Earnings per share	1,776	726	702

26. Financial Risk Management

26.1 Financial risk factors

The Group's and the Company's activities are exposed to a variety of financial risks, including:

- Credit risk;
- Interest rate risk;
- Foreign exchange risk; and
- Liquidity risk.

Notes to the Financial Statements - Year Ended 30 June 2015

26. Financial Risk Management (Cont'd)

26.1 Financial risk factors (Cont'd)

The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

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, is disclosed in note 2 to the financial statements.

Categories of financial instruments

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Financial assets				
Loan and receivables (including cash and cash equivalents)	111,233,497	84,408,064	14,990,517	-
Financial liabilities				
At amortised cost	81,069,568	53,722,184	266,445	678,885

Financial risk management

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

26.2 Capital risk management

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 and the Company's policy is to monitor the gearing ratio in order to secure access to finance at a reasonable cost.

The gearing ratio at the year end was as follows:

	The Group		The Company	
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Total debt	2,974,695	10,613,740	-	-
Equity attributable to holders of the parent	59,675,059	41,690,862	15,216,407	-77,230
Debt to equity ratio	0.05	0.25	-	-

26.3 Market Risk

26.3 (a) 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.

Notes to the Financial Statements - Year Ended 30 June 2015

26. Financial Risk Management (Cont'd)

26.3 Market Risk (Cont'd)

26.3 (a) Credit risk (Cont'd)

The Group's and the Company's credit risk are primarily attributable to their trade receivables. The amounts presented in the statement of financial position are net of provision for doubtful debts, estimated by the Group's/Company's management based on prior experience.

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.

The Group and the Company have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

26.3 (b) Interest rate risk

The Group's borrowings which relate mainly to financial leases, are at fixed rate of interest. The Group is exposed to interest rate risk on its overdraft facilities with the bank, which is at floating rate of interest.

26.3 (c) Foreign exchange risk

All the Company's transactions are denominated in Mauritian rupees and it is hence not exposed to foreign exchange risk.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars.

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 US dollars as a natural hedge. The Group also has positions in Malagasy Ariary(MGA) and Rwanda Francs (RWF), which are the local currency 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
	2015 Rs	2014 Rs	2015 Rs	2014 Rs
Currency				
Mauritian rupee	70,270,120	37,512,835	52,961,404	32,837,656
United States dollar	35,063,756	41,771,720	29,184,463	20,884,528
Others	5,899,621	1,785,013	2,262,197	-
	111,233,497	81,069,568	84,408,064	53,722,184

A sensitivity analysis, including only outstanding foreign currency denominated monetary items and adjusting their translation at the period end for a 1% change in foreign currency rates, indicate that if the Mauritian rupee strengthens 1% against the USD, the Company will incur a gain on exchange of Rs 67,080 (2014: loss of Rs 82,999).

There would be an equal and opposite impact on the profit and other equity where the Mauritian Rupee weakens 1% against the USD.

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

26.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding

Notes to the Financial Statements - Year Ended 30 June 2015

26. Financial Risk Management (Cont'd)

26.4 Liquidity Risk (Cont'd)

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 and 2 years Rs	Between 2 and 5 years Rs	Over 5 years Rs
The Group				
At June 30, 2015				
Trade and other payables	78,094,873	-	-	-
Borrowings	1,136,367	1,111,999	1,119,622	-
Income tax	2,569,455	-	-	-
	81,800,695	1,111,999	1,119,622	-
At June 30, 2014				
Trade and other payables	43,108,444	-	-	-
Borrowings	8,735,502	934,894	943,344	-
Income tax	926,534	-	-	-
	52,770,480	934,894	943,344	-
The Company				
At June 30, 2015				
Trade and other payables	266,445	-	-	-
Income tax	-	-	-	-
	266,445	-	-	-
At June 30, 2014				
Trade and other payables	678,885	-	-	-
Income tax	-	-	-	-
	678,885	-	-	-