ecsponent

Limited

Swaziland

ECSPONENT SWAZILAND LIMITED

(Registration number R7/38733)

Financial statements

FOR THE 15 MONTH PERIOD ENDED 30 JUNE 2018

General Information

Country of incorporation and domicile	Swaziland
Nature of business and principal activities	Financial Services
Directors	A Hay EJ Soonius LA Vilakati EN Magagula-Dlamini NC Mamba TP Gregory DP van der Merwe
Registered office	7 The Gables Ezulwini Swaziland
Business address	7 The Gables Ezulwini Swaziland
Holding company	Ecsponent Holdings (Pty) Ltd incorporated in Swaziland
Ultimate holding company	Ecsponent Limited incorporated in South Africa and listed on the JSE Securities Exchange
Auditors	David Walker and Company Chartered Accountants (SA) Registered Auditors
Secretary	S. V. Mdladla & Associates
Company registration number	R7/38733
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 8 of Swaziland 2009.

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The reports and statements set out below comprise the financial statements presented to the shareholders:

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Preparer

The financial statements have been prepared under the supervision of DP van der Merwe CA (SA)

Published

28 September 2018

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 8 of Swaziland 2009 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the 15 month period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the period to 30 June 2019 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The financial statements set out on page 10 to 34, which have been prepared on the going concern basis, were approved by the directors on 28 September 2018 and were signed on their behalf by:

Soonius

EJ Soonius

DAVID WALKER

CHARTERED ACCOUNTANT (SWAZILAND)

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Independent Auditors' Report

To the Shareholders of Ecsponent Swaziland Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ecsponent Swaziland Limited, which comprise the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position Ecsponent Swaziland Limited as at 30 June 2018, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Swaziland.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the entity in accordance with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B) and other independence requirements applicable to performing audits of financial statements in Swaziland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Swaziland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, as required by the Companies Act of Swaziland and the supplementary information. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 the requirements of the Companies Act of Swaziland, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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.

David Walker and Company
28 September 2018

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Ecsponent Swaziland Limited for the 15 month period ended 30 June 2018.

1. Nature of business

Ecsponent Swaziland Limited was incorporated in Swaziland with interests in the financial services industry. The company operates in Swaziland.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Swaziland. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Share capital

	2018	2017
Authorised	Number of shares	
Ordinary shares	1,000,000,000	1,000,000,000

	2018	2017	2018	2017
Issued	E	E	Number of shares	
Ordinary shares	700	700	700,000,000	700,000,000

4. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial period. At its discretion, the directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the directors may pass on the payment of dividends.

Given the current state of the global economic environment, the directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the directors has resolved not to declare a dividend for the financial 15 month period ended 30 June 2018.

5. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

Directors' Report

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality	Changes
A Hay	Non-executive	South African	
EJ Soonius	Executive	South African	
LA Vilakati	Executive	Swaziland	
PL Mtetwa	Non-executive	Swaziland	Resigned 27 January 2018
EN Magagula-Dlamini	Non-executive	Swaziland	Appointed 01 July 2017
NC Mamba	Non-executive	Swaziland	Appointed 01 July 2017
TP Gregory	Non-executive	South African	Appointed 01 February 2018
DP van der Merwe	Non-executive	South African	Appointed 01 February 2018

7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Litigation statement

The company is not currently involved in any litigation or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

11. Auditors

David Walker and Company continued in office as auditors for the company for 2018.

At the AGM, the shareholders will be requested to reappoint David Walker and Company as the independent external auditors of the company and to confirm Mr D Walker as the designated lead audit partner for the 2019 financial period.

Directors' Report

12. Secretary

The company secretary is S. V. Mdladla & Associates.

Postal address	PO Box 3798 Mbabane H100 Swaziland
Business address	Lot No.306 Lomadvokola Chambers Cnr Lomadvokola & Nukwase Streets Mbabane Swaziland 0181

13. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 28 September 2018. No authority was given to anyone to amend the financial statements after the date of issue.

Statement of Financial Position as at 30 June 2018

	Note(s)	30 June 2018 E	31 March 2017 E
Assets			
Non-Current Assets			
Property, plant and equipment	3	74,512	108,753
Other financial assets	4	-	54,675,946
Deferred tax	5	2,631,676	786,672
		2,706,188	**55,571,371**
Current Assets			
Loans to group companies	6	252,831,181	43,128,398
Trade and other receivables	7	15,000	15,000
Other financial assets	4	-	6,859,759
Current tax receivable		348,857	-
Cash and cash equivalents	8	2,797,403	6,931,402
		255,992,441	**56,934,559**
Total Assets		**258,698,629**	**112,505,930**
Equity and Liabilities			
Equity			
Share capital	9	700	700
Retained income		2,372,018	1,894,330
		2,372,718	**1,895,030**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	10	250,473,712	109,199,977
Current Liabilities			
Trade and other payables	11	5,852,199	718,082
Current tax payable		-	692,841
		5,852,199	**1,410,923**
Total Liabilities		**256,325,911**	**110,610,900**
Total Equity and Liabilities		**258,698,629**	**112,505,930**

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	15 months ended 30 June 2018 E	15 months ended 31 March 2017 E
Revenue	12	62,254,945	29,092,968
Cost of sales		-	(231,200)
Other operating income	13	6,000	709,450
Other operating expenses		(25,171,710)	(14,106,157)
Operating profit (loss)	14	**37,089,235**	**15,465,061**
Investment income	15	249,198	199,431
Finance costs	16	(36,560,327)	(13,846,951)
Profit (loss) before taxation		**778,106**	**1,817,541**
Taxation	17	(300,418)	(517,939)
Profit (loss) for the 15 month period		**477,688**	**1,299,602**
Other comprehensive income		-	-
Total comprehensive income (loss) for the 15 month period		**477,688**	**1,299,602**

Statement of Changes in Equity

	Share capital E	Retained income E	Total equity E
Balance at 01 January 2016	**700**	**594,728**	**595,428**
Profit for the 15 month period	-	1,299,602	1,299,602
Other comprehensive income	-	-	-
Total comprehensive income for the 15 month period	**-**	**1,299,602**	**1,299,602**
Balance at 31 March 2017	**700**	**1,894,330**	**1,895,030**
Profit for the 15 month period	-	477,688	477,688
Other comprehensive income	-	-	-
Total comprehensive income for the 15 month period	**-**	**477,688**	**477,688**
Balance at 30 June 2018	**700**	**2,372,018**	**2,372,718**
Note(s)	9		

Statement of Cash Flows

	Note(s)	15 months ended 30 June 2018 E	15 months ended 31 March 2017 E
Cash flows from operating activities			
Cash (used in) generated from operations	18	42,264,093	16,816,347
Interest income		249,198	199,431
Finance costs		(36,560,327)	(13,846,951)
Tax paid	19	(3,187,120)	(720,305)
Net cash from operating activities		**2,765,844**	**2,448,522**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(6,500)	(12,252)
Loans advanced to group companies		(213,946,190)	-
Proceeds from loans from group companies		4,243,407	-
Loans advanced to group companies		-	(13,739,476)
Financial assets received		61,535,705	(57,085,599)
Net cash from investing activities		**(148,173,578)**	**(70,837,327)**
Cash flows from financing activities			
Proceeds from investors		141,273,735	73,114,861
Net cash from financing activities		**141,273,735**	**73,114,861**
Total cash movement for the 15 month period		**(4,133,999)**	**4,726,056**
Cash at the beginning of the 15 month period		6,931,402	2,205,346
Total cash at end of the 15 month period	8	**2,797,403**	**6,931,402**

Accounting Policies

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements, and the Companies Act 8 of 2009 of Swaziland., as amended.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Swaziland Emalangenis, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, managment is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements incude:

Loans and receivables and trade receivables

The company assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Prior impairments of non financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additioanl taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates relating to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Accounting Policies

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one 15 month period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation an any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold improvements	Straight line	6 years
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	6 years
IT equipment	Straight line	6 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting 15 month period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each 15 month period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Accounting Policies

1.4 Financial instruments (continued)

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation is discharged, cancelled, or expires.

Accounting Policies

1.4 Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets classified as loans and receivables:
- Loans to group companies and other financial assets
- Other financial assets
- Trade and other receivables
- Cash and cash equivalents

Financial liabilities classified as at amortised cost:
- Other financial liabilities
- Trade and other payables
- Bank overdraft

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.5 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Accounting Policies

1.8 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Origination fees on loans measured at amortised cost - These fees are charged upfront, are capitalised into the loan.

Placement fees - These are fees that relate to income received from investors at 10% of the preference shares issues.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs have been capitalised.

Notes to the Financial Statements

	15 months ended 30 June 2018 E	15 months ended 31 March 2017 E

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current 15 month period

In the current 15 month period, the company has adopted the following standards and interpretations that are effective for the current financial 15 month period and that are relevant to its operations:

Amendments to IAS 7: Statement of Cash Flows

The amendment requires entities to provide additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities; namely:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchanges;
- changes in fair values; and
- other changes.

Amendments to IAS 12: Income Taxes

The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements and at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. It further clarifies that; (i) the carrying amount of an asset does not limit the estimation of probable future taxable profits, (ii) estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences, and (iii) an entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 July 2018 or later periods:

IFRS 16 Leases

The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance leases.

The effective date of the standard is for years beginning on or after 1 January, 2019.

The new standard could have an impact on the company's financial statements and may be applied with full retrospective effect or under a modified retrospective approach. The current operating lease agreements are not deemed to be material and would therefore not result in a material impact.

IFRS 9 Financial Instruments

The standard requires financial assets to be measured either at amortised cost or fair value depending on the business model under which they are held and the cash flow characteristics of the instrument.

The standard contains new hedge accounting requirements aimed at better aligning the accounting treatment with the risk management strategy. In addition, the standard replaces the incurred loss impairment model in IAS 39 with an expected loss model. It will no longer be necessary for a credit event to have occurred before credit losses are recognised.

The effective date of the standard is for years beginning on or after 01 January 2018.

The new standard will be applied retrospectively and is not ecpected to have a material impact on the company's financial statements.

2. New Standards and Interpretations (continued)

IFRS 15 Revenue from Contracts with Customers

The IFRS replaces IAS 18 *Revenue* and provides a single, principles based five-step model to be applied to all contracts with customers. The steps involve identifying the contract, identifying the performance obligations under the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract, and recognising revenue when the entity satisfies a performance obligation.

Clarification to IFRS 15 revenue from contracts with customers:
The amendment does not change the underlying principles of IFRS 15 but it provides clarity as to how to apply those principles.

The amendments clarify how to identify a performance obligation in a contract, determine whether a company is a principal, or an agent; and determine whether the revenue from granting a licence should be recognised at a point in time or over time. The amendments also provide reliefs to reduce cost and complexity for a company when it first applies the new Standard.

The effective date of the standard is for years beginning on or after 01 January 2018.

The new standard is not expected to have a material impact on the company's financial statements and may be applied with full retrospective effect or under a modified retrospective approach with an adjustment made to the opening balance of retained income. Early adoption is permitted.

3. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	63,782	(30,865)	32,917	63,782	(17,577)	46,205
Office equipment	1,364	(1,364)	-	1,364	(208)	1,156
IT equipment	10,300	(10,300)	-	3,800	(422)	3,378
Leasehold property	78,811	(37,216)	41,595	78,811	(20,797)	58,014
Total	**154,257**	**(79,745)**	**74,512**	**147,757**	**(39,004)**	**108,753**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	46,205	-	(13,288)	32,917
Office equipment	1,156	-	(1,156)	-
IT equipment	3,378	6,500	(9,878)	-
Leasehold property	58,014	-	(16,419)	41,595
	108,753	**6,500**	**(40,741)**	**74,512**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	52,208	7,088	(13,091)	46,205
Office equipment	-	1,364	(208)	1,156
IT equipment	-	3,800	(422)	3,378
Leasehold property	74,433	-	(16,419)	58,014
	126,641	**12,252**	**(30,140)**	**108,753**

4. Other financial assets

Loans and receivables		
Ligagu Investments (Pty) Ltd t/a Getbucks Swaziland	-	61,535,705

The loan bears interest at 30% per annum an is secured over assets of the company.
The facility of E61 535 705 was ceded to Ecsponent Holdings (Pty) Ltd on 1 April 2017.

Non-current assets		
Loans and receivables	-	54,675,946
Current assets		
Loans and receivables	-	6,859,759
	-	**61,535,705**

Fair value information

Loans and receivables are measured at amortised cost, which is also equal to their carrying amounts.

Notes to the Financial Statements

5. Deferred tax

Deferred tax asset

Prepayments and deferred expenses	(4,074,773)	(1,912,069)
Provisions	6,706,449	2,698,741
Total deferred tax asset	**2,631,676**	**786,672**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset	2,631,676	786,672

Reconciliation of deferred tax asset / (liability)

At beginning of year	786,672	(35,223)
Provision for capital growth	4,233,937	1,875,194
Deferred transaction cost	(2,162,704)	(1,282,799)
Prepaid expenses	-	2,487
Provisions	(226,229)	227,013
	2,631,676	**786,672**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

The deferred tax asset is recogised to the extent it is probable that taxable income will be available from forecast profits to realise the future tax saving. The expectation of future profits is based on management's estimated future cash flows by making use of available information and the application of professional judgement, as well as actual results after balance sheet date.

6. Loans to (from) group companies

Holding company

Ecsponent Holdings (Pty) Ltd (Swaziland)	252,831,181	38,884,991
The loan is unsecured, bears interest at 22% per annum, and has no fixed terms of repayment.		

Fellow subsidiaries

Sanceda Swaziland (Pty) Ltd	-	4,243,407
The loan is unsecured, bears no interest, and has no fixed terms of repayment.		

Current assets	252,831,181	43,128,398
Non-current liabilities	-	-
	252,831,181	**43,128,398**

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above.

Notes to the Financial Statements

7. Trade and other receivables

Deposits	15,000	15,000

Fair value of trade and other receivables

There is no material difference between the fair value of trade and other receivables and their book value.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	221	1,233
Bank balances	2,797,182	6,930,169
	2,797,403	**6,931,402**

9. Share capital

Authorised		
1 000 000 000 Ordinary shares of E0.000001	1,000	1,000
Issued		
700 000 000 ordinary shares of E0.000001	700	700

10. Other financial liabilities

Held at amortised cost		
Redeemable preference shares_Class A	139,171,048	50,069,738

The 5 year income provider product, Class A preference share provides a 15% per annum interest return paidout monthly. The original capital investment redeems at the end of the 60 month investment term.

Issued Preference shares 139 878.

Redeemable preference shares_Class E	111,302,664	59,130,239

The 5 year capital growth product, Class B preference share provides a 0% per annum interest return. 200% of the original capital investment is redeemed at the end of the 60 month investment term providing the client with a capital growth return of 100% over th term of the investment.

Issued Preference shares 111 303.

	250,473,712	**109,199,977**
Non-current liabilities		
At amortised cost	250,473,712	109,199,977

Authorised Preference Shares
100 000 000 Class A preference shares of E1.0 each, linked to a claim of E999.00
100 000 000 Class B preference shares of E1.0 each, linked to a claim of E999.00
100 000 000 Class C preference shares of E1.0 each, linked to a claim of E999.00
100 000 000 Class D preference shares of E1.0 each, linked to a claim of E999.00
100 000 000 Class E preference shares of E1.0 each, linked to a claim of E999.00
100 000 000 Class F preference shares of E1.0 each, linked to a claim of E999.00
100 000 000 Class G preference shares of E1.0 each, linked to a claim of E999.00
100 000 000 Class H preference shares of E1.0 each, linked to a claim of E999.00

Notes to the Financial Statements

10. Other financial liabilities (continued)

The preference shares are redeemable after 60 months from the initial issue date and as a result are classified as debt and disclosed as such in the statement of financial position. The dividends declared to preference shareholders are classified as finance costs and disclosed on this basis in the statement of profit and loss.

11. Trade and other payables

Trade payables	4,919,417	64,083
Accrued leave pay	30,696	24,621
Payroll liabilities	9,879	106,243
Withholding tax	160,510	173,402
Dividend accrual	546,757	241,099
Accrued audit fees	16,435	18,637
Accrued expenses	168,505	89,997
	5,852,199	**718,082**

Fair value of trade and other payables

The book value of trade payables, accrued liabilities and other payables are considered to be in line with their fair value at 30 June 2018.

12. Revenue

Interest received - SME advances	-	10,905,403
Interest received - group companies	48,713,929	11,079,565
Placement fees FSP/0001/14	13,480,416	7,108,000
Early withdraw fees	60,600	-
	62,254,945	**29,092,968**

13. Other operating income

Administration and intercompany management fees received	-	556,570
Bad debts recovered	6,000	-
Other recoveries	-	152,880
	6,000	**709,450**

14. Operating profit

Operating profit (loss) for the 15 month period is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external		
Audit fees	25,138	15,490
Employee costs		
Salaries, wages, bonuses and other benefits	1,054,584	678,820
Staff training	9,230	850
Total employee costs	**1,063,814**	**679,670**
Leases		
Operating lease charges		
Premises	336,571	316,932
Motor vehicles	99,578	99,579
	436,149	**416,511**

Notes to the Financial Statements

14. Operating profit (continued)

Depreciation and amortisation		
Depreciation of property, plant and equipment	40,741	30,140
Impairment losses		
Other financial assets	-	485,130

15. Investment income

Interest income		
From investments in financial assets:		
Bank	249,198	199,431

16. Finance costs

Preference dividends	36,560,327	13,791,706
Bank	-	193
Tax authorities	-	55,052
Total finance costs	**36,560,327**	**13,846,951**

17. Taxation

Major components of the tax (income) expense

Current		
Local income tax - current period	2,145,422	1,339,833
Deferred		
Benefit of unrecognised tax loss	(1,845,004)	(821,894)
	300,418	**517,939**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27.50 %	27.50 %
Non-deductible expenses	11.11 %	1.00 %
	38.61 %	**28.50 %**

18. Cash (used in) generated from operations

(Loss) profit before taxation	778,106	1,817,541
Adjustments for:		
Depreciation	40,741	30,140
Interest received - investment	(249,198)	(199,431)
Finance costs	36,560,327	13,846,951
Impairment loss	-	485,130
Changes in working capital:		
Trade and other receivables	-	929,075
Trade and other payables	5,134,117	(93,059)
	42,264,093	**16,816,347**

Notes to the Financial Statements

19. Tax paid

Balance at beginning of the 15 month period	(692,841)	(73,313)
Current tax for the 15 month period recognised in profit or loss	(2,145,422)	(1,339,833)
Balance at end of the 15 month period	(348,857)	692,841
	(3,187,120)	**(720,305)**

20. Related parties

Relationships	
Ultimate holding company	Ecsponent Limited
Holding company	Ecsponent Holdings (Pty) Ltd (Swaziland)
Fellow Subsidiaries	Ecsponent Financial (Pty) Ltd
	Ecsponent Management Services Limited
	Sanceda Swaziland (Pty) Ltd

Related party balances

Loan accounts - Owing (to) by related parties		
Ecsponent Holdings (Pty) Ltd (Swaziland)	252,831,181	38,884,991
Sanceda Swaziland (Pty) Ltd	-	4,243,407

Related party transactions

Interest paid to (received from) related parties		
Ecsponent Holdings (Pty) Ltd (Swaziland)	(48,713,929)	(10,512,215)
Administration fees paid to (received from) related parties		
Ecsponent Holdings (Pty) Ltd (Swaziland)	90,000	-
Ecsponent Management Services Limited (formely Vinguard Limited)	9,000,000	3,306,000

21. Directors' emoluments

Executive

2018

	Emoluments	Commission	Directors' fees for directors' of other group companies	Total
A Hay	-	-	2,674,384	2,674,384
EJ Soonius	513,705	1,427,100	-	1,940,805
LA Vilakati	30,000	2,635,530	-	2,665,530
PL Mtetwa	20,000	201,900	-	221,900
EN Magagula-Dlamini	27,400	-	-	27,400
NC Mamba	101,900	-	-	101,900
TP Gregory	-	-	2,312,373	2,312,373
DP van der Merwe	-	-	757,465	757,465
	693,005	**4,264,530**	**5,744,222**	**10,701,757**

2017

	Emoluments	Commission	Directors' fees for services as directors' of subsidiaries	Total
A Hay	-	-	2,724,758	2,724,758
EJ Soonius	532,687	723,500	-	1,256,187
LA Vilakati	30,000	916,130	-	946,130
PL Mtetwa	30,000	53,900	-	83,900
	592,687	**1,693,530**	**2,724,758**	**5,010,975**

Notes to the Financial Statements

22. Categories of financial instruments

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2018					
Assets					
Current Assets					
Loans to group companies	6	252,831,181	-	-	252,831,181
Trade and other receivables	7	15,000	-	-	15,000
Current tax receivable		-	-	348,857	348,857
Cash and cash equivalents	8	2,797,403	-	-	2,797,403
		255,643,584	**-**	**348,857**	**255,992,441**
Total Assets		**255,643,584**	**-**	**2,980,533**	**258,624,117**
Equity and Liabilities					
Liabilities					
Non-Current Liabilities					
Other financial liabilities	10	-	250,473,712	-	250,473,712
Current Liabilities					
Trade and other payables	11	-	5,852,195	-	5,852,195
Total Liabilities		**-**	**256,325,907**	**-**	**256,325,907**
Total Equity and Liabilities		**-**	**256,325,907**	**-**	**256,325,907**

Categories of financial instruments - 2017

Assets

Non-Current Assets

Notes to the Financial Statements

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Other financial assets	4	54,675,946	-	-	54,675,946
	5	-	-	-	-
		54,675,946	**-**	**-**	**54,675,946**
Current Assets					
Loans to group companies	6	43,128,398	-	-	43,128,398
Trade and other receivables	7	15,000	-	-	15,000
Other financial assets	4	-	-	6,859,759	6,859,759
Cash and cash equivalents	8	6,931,402	-	-	6,931,402
		50,074,800	**-**	**6,859,759**	**56,934,559**
Total Assets		**104,750,746**	**-**	**6,859,759**	**111,610,505**
Equity and Liabilities					
Liabilities					
Non-Current Liabilities					
Other financial liabilities	10	-	109,199,977	-	109,199,977
Current Liabilities					
Trade and other payables	11	-	718,081	-	718,081
Total Liabilities		**-**	**109,918,058**	**-**	**109,918,058**
Total Equity and Liabilities		**-**	**109,918,058**	**-**	**109,918,058**

Notes to the Financial Statements

	15 months ended 30 June 2018 E	15 months ended 31 March 2017 E

23. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings disclosed in notes 6 & 10 cash and cash equivalents disclosed in note 8, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year. The company does not have a significant concentration of credit risk in respect of cash balances as all major banks are used for the company's treasure services.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The company has documented financial risk management policies.These policies set out the company's overall business strategies and its risk management philosophy. The company's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the company. The Board of Directors provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk, credit risk, liquidity risk, cash flow interest rate risk), use of derivative financial instruments and investing excess cash. Such written policies are reviewed annually by the Board of Directors and periodic reviews are undertaken to ensure that the company's policy guidelines are complied with. Risk management is carried out by the Treasury Department nder the policies approved by the Board of Directors.

The directors are of the opinion that the carrying amount of all current financial assets and financial liabilities approximate their fair values due to the short term maturities of these financial instruments. Where the effects of discounting are immaterial short term receivables and short term payables are measured at the original invoice amount

There have been no substantive changes to the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. Information disclosed has not been disaggregated as the financial instruments used by the company share the same economic characteristics and market conditions.

Notes to the Financial Statements

	15 months ended 30 June 2018 E	15 months ended 31 March 2017 E

23. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its current and future obligations, both expected and unexpected, without materially affecting its daily operations or overall financial position.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities. The company is currently only exposed to liquidity risk from trade and other payables and current tax payable. The company has sufficient flexibility in funding available to maintain its position.

The liquidity position of the company is monitored and reported daily, including cash flow projections containing business unit cash requirements. The liquidity requirements of business units and subsidiaries are serviced through group treasury advances. The company's approach to the management of liquidity is to consolidate all sources and uses of liquidity to maintain a balance between liquidity, profitability and asset growth.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2018	Less than 1 year	Between 2 and 5 years
Redeemable preference shares	-	250,473,712
Trade and other payables	5,852,199	-

At 31 March 2017	Less than 1 year	Between 2 and 5 years
Redeemable preference shares	-	109,199,977
Trade and other payables	718,082	-
Current tax payable	692,841	-

The carrying value of the financial liabilities is considered to be in line with their fair value at the statement of financial position date.

	15 months ended 30 June 2018 E	15 months ended 31 March 2017 E

23. Risk management (continued)

Interest rate risk

Interest rate risk consists of cash flow interest rate risk and fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to both cash flow and fair value interest rate risk.

The Group's exposure to cash flow interest rate risk is limited to the Class C preference shares, group cash balances and bank borrowings. These financial assets and liabilities are linked to variable interest rates.

Management's expectation for the 2019 financial period is that interest rates will decrease by 100 basis points (2017 outlook represented a 100 basis point decreases). A decrease of 100 basis points in interest rates at the reporting date, with reference to the period end exposures, would have increased/(decreased) equity and profit or loss by the annualised amounts shown below. The analysis assumes that all other variables remain constant.

Interest rate risk analysis

2018	Cash flow interest rate risk	Fair value interest rate risk	Total
Loans to group companies	-	252,831,181	252,831,181
Cash and cash equivalents	2,797,403	-	2,797,403
Preference shares	-	(250,473,712)	(250,473,712)
	2,797,403	**2,357,469**	**5,154,872**

2017	Cash flow interest rate risk	Fair value interest rate risk	Total
Loans to group companies	-	43,128,398	43,128,398
Cash and cash equivalents	6,931,402	-	6,931,402
Preference shares	-	(109,199,977)	(109,199,977)
	6,931,402	**(66,071,579)**	**(59,140,177)**

Sensitivity analysis

2018	Cash flow interest rate risk	Fair value interest rate risk	Total
Loans to group companies	-	2,528,312	2,528,312
Cash and cash equivalents	27,974	-	27,974
Preference shares	-	(2,504,737)	(2,504,737)
	27,974	**23,575**	**51,549**

2017	Cash flow interest rate risk	Fair value interest rate risk	Total
Loans to group companies	-	431,284	431,284
Cash and cash equivalents	69,314	-	69,314
Preference shares	-	(1,092,000)	(1,092,000)
	69,314	**(660,716)**	**(591,402)**

Notes to the Financial Statements

	15 months ended 30 June 2018 E	15 months ended 31 March 2017 E

23. Risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the company if a client or counterparty to a financial instrument fails to pay interest, repay capital or otherwise fulfil their contractual obligations under loan agreements or other credit facilities. It also arises on bank balances. For risk management reporting purposes, the company considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, employer default risk and country risk).

The credit risk management policy is determined and approved on a group basis for each operating segment.

Credit risk consists mainly of cash deposits and cash equivalents. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at 15 month period end were as follows:

Financial instrument	2018	2017
Loans to group companies	252,831,181	43,128,398
Other financial assets	-	61,535,705
Cash and cash equivalents	2,797,403	6,931,402

24. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

25. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

26. Restatement note

During the 2018 year the company split the revenue figures in note 12 to reflect more appropriately the different streams of revenue. The comparative amounts in the note were restated for consistency. The total amount of revenue for 2017 did not change, only the split.