Notes to the Financial Statements

1 GENERAL INFORMATION

Anglo African Investments Ltd, (the "Company"), was incorporated in the Republic of Mauritius on 25 July 2012 as a private company limited by shares. Its main activity is that of investment holding. The Company's registered office is Hermes Cubicles, Terre Rouge-Verdun-Trianon Link Road, Quatre Bornes, Mauritius.

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

In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRSs Interpretations Committee of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2020.

2.1 New and revised standards applied which affect amount reported and disclosed in the financial statements

Impact of initial application of IFRS 16 Leases

In the current year, the Group and the Company have applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 3(o).

(a) Impact of the new definition of a lease

The Group and the Company have made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for a consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group and the Company apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

(b) Impact on lessee accounting
(i) Former operating leases

IFRS 16 changes how the Group and the Company account for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases, the Group and the Company:
(a) Recognise right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16;

(b) Recognise depreciation or amortisation of right-of-use assets and interest on lease liabilities in profit or loss; and

(c) Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Notes to the Financial Statements (Cont'd)

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

2.1 New and revised standards applied which affect amount reported and disclosed in the financial statements (cont'd)

Impact of initial application of IFRS 16 Leases (Cont'd)

(b) Impact on lessee accounting (Cont'd)
(i) Former operating leases (Cont'd)

Lease incentives (e.g. rent free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

The Group and the Company have used the following practical expedients when initially applying IFRS16 to leases.

- The Group and the Company have applied a single discount rate.
- The Group and the Company have adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review, where applicable.
- The Group and the Company have elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group and the Company have excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group and the Company have used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

(ii) Former finance leases
For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group and the Company have elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 January 2019.

The Group does not have any former finance leases contracts which have a significant impact on the financial statements and hence former finance leases contracts with low value have been recognised under borrowings in the statements of financial position.

(c) Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts.

Notes to the Financial Statements (Cont'd)

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

2.1 New and revised standards applied which affect amount reported and disclosed in the financial statements (cont'd)

Impact of initial application of IFRS 16 Leases (Cont'd)

(c) Impact on lessor accounting (Cont'd)

The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

Because of this change, the Group and the Company have reclassified certain of its operating sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application. As required by IFRS 9, an allowance for expected credit losses has been recognised on the finance lease receivables if any.

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

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

- IAS 1 Presentation of Financial Statements - Amendments regarding the definition of material
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material
- IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform
- IFRS 3 Business Combinations – Amendments to clarify the definition of a business
- IFRS 7 Financial Instruments Disclosures – Interest Rate Benchmark Reform issued, requiring additional disclosures around uncertainty arising from the interest rate benchmark reform
- IFRS 9 Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform
- IFRS 16 Leases – Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

2.3 New and revised IFRSs in issue but not yet effective

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

- IAS 1 Presentation of Financial Statements - Amended by Classification of Liabilities as Current or Non-current (effective 1 January 2023)
- IAS 1 Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective 1 January 2023)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of accounting estimates (effective 1 January 2023)

Notes to the Financial Statements (Cont'd)

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

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

- IAS 12 Income Taxes – Amendments regarding deferred tax on leases and decommissioning obligations (effective 1 January 2023)
- IAS 16 Property, Plant and Equipment – Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective 1 January 2022)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments regarding the costs to include when assessing whether a contract is onerous (effective 1 January 2022)
- IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
- IFRS 3 Business Combinations – Amendments updating a reference to the Conceptual Framework (effective 1 January 2022)
- IFRS 7 Financial Instruments Disclosures – Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
- IFRS 9 Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
- IFRS 9 Financial Instruments – Amendments resulting from Annual Improvements to IFRS Standards 2018-2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

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

(b) Basis of consolidation

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

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of consolidation (Cont'd)

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

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

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

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

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

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

(c) Business combinations

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

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

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

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Business combinations (Cont'd)

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

(d) Investment in subsidiaries

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

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

(e) Foreign currencies

(i) Functional and presentation currencies

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

(ii) Transactions and balances

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

(iii) Group companies

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

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

(f) Revenue recognition

Revenue is measured based on the consideration received or receivable to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is net of value added tax, discounts and excludes inter-company charges and dividends.

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

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Revenue recognition (Cont'd)

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

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

(g) Expenses

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

(h) Finance costs

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

(i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

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

(ii) Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Taxation (Cont'd)

(iii) Current and deferred tax for the year

Current and deferred taxes are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

(j) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets

(i) Financial assets at amortised cost

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the financial instrument on initial recognition.

(ii) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred financial asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Financial instruments (Cont'd)
Financial assets (Cont'd)

(ii) Derecognition of financial assets (Cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabiliities and equity
(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(iii) Financial liabilities

The Group initially recognises liabilities on the date that they are originated. All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(iv) Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(k) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidated and separate statements of profit or loss and other comprehensive income.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Plant and equipment

(i) Recognition and measurement

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

(m) Intangible assets

Intangible assets consisting of acquired software are carried at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful life of 3 to 5 years.

Software development costs are recognised as intangible assets when the following has been demonstrated:

- the technical feasibility and availability of resources to complete the intangible asset so that it will be available for sale;
- the intention to complete the asset and ability to sell it;
- how the intangible asset will generate probable future economic benefits;
- the ability to measure reliably the expenditure attributable to the intangible asset.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meet the recognition criteria listed above. Subsequent to initial recognition, software development costs are recognised at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets that are acquired separately.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the assets.

(ii) Lease liabiliites

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Policies prior to January 2019

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(o) Borrowings

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

(p) Cash and cash equivalents

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

(q) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Inventories (Cont'd)

(FIFO) basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expense. Where necessary, a write-off is made for obsolete and slow moving inventory items.

(r) Impairment of non-financial assets

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

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount which should not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(s) Retirement benefit obligations

(i) Defined contribution schemes

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

(ii) Other retirement benefits

Retirement benefits as provided under the Workers Rights Act 2019 are recognised in the statement of financial position as non-current liabilities and are not funded.

(iii) State pension plan

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

(t) Provisions

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

(u) Stated capital

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

(v) Related parties

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

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(w) Dividend

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

(x) Comparative

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

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Going concern

Management has made an assessment of the Group and the Company's ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group and the Company's ability to continue as a going concern. Therefore, the consolidated and separate financial statements have been prepared on the going concern basis.

Determination of functional currency

Functional currency is the currency of the primary economic environment in which the Group operates. When indicators of the primary economic environment is mixed, management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and management has determined that the functional currency of the Group is Mauritian Rupee.

Expected credit loss ("ECL") allowance

When measuring ECL, the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Impairment of assets

Impairment of assets requires significant judgement and assumptions as this exercise involves the determination of recoverable amount of asset values. In making the judgement and assumptions, the directors consider and

Notes to the Financial Statements (Cont'd)

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

Impairment of assets (Cont'd)

evaluate, among other factors changes in technology, industry and sector economic indicators.

Useful lives of plant and equipment

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

Deferred tax assets

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

Inventory provisions

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

Limitation 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.

Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the management of the assets are compensated. The Group and the Company monitor financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's and the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the years presented.

Notes to the Financial Statements (Cont'd)

5. PLANT AND EQUIPMENT

	Computer Equipment MUR	Furniture & fittings and equipment MUR	Motor vehicles MUR	Total MUR
The Group				
COST				
At 1 July 2019	7,917,476	2,172,272	5,222,991	15,312,739
Translation difference	(13,714)	(2,942)	(40,094)	(56,750)
Additions	1,324,073	111,297	970,000	2,405,370
Disposals	(436,660)	-	(765,739)	(1,202,399)
At 30 June 2020	8,791,175	2,280,627	5,387,158	16,458,960
At 1 July 2020	8,791,175	2,280,627	5,387,158	16,458,960
Translation difference	(6,368)	(1,723)	(21,125)	(29,216)
Additions	872,067	8,507,349	-	9,379,416
Disposals	(652,599)	(154,540)	-	(807,139)
At 30 June 2021	**9,004,275**	**10,631,713**	**5,366,033**	**25,002,021**
ACCUMULATED DEPRECIATION				
At 1 July 2019	5,497,485	1,858,732	3,022,154	10,378,371
Translation difference	(14,247)	(1,307)	(24,050)	(39,604)
Charge for the year	1,467,438	350,566	691,451	2,509,455
Disposals	(137,172)	-	(765,378)	(902,550)
At 30 June 2020	6,813,504	2,207,991	2,924,177	11,945,672
At 1 July 2020	6,813,504	2,207,991	2,924,177	11,945,672
Translation difference	(5,726)	(1,340)	(18,311)	(25,377)
Charge for the year	1,199,990	475,988	727,546	2,403,524
Disposals	(614,349)	(154,540)	-	(768,889)
At 30 June 2021	**7,393,419**	**2,528,099**	**3,633,412**	**13,554,930**
NET BOOK VALUES				
At 30 June 2021	**1,610,856**	**8,103,614**	**1,732,621**	**11,447,091**
At 30 June 2020	1,977,671	72,636	2,462,981	4,513,288

Plant and equipment includes motor vehicles with a net book value of MUR 719,280 (2020: MUR 911,088) held under finance lease at 30 June 2021. The leases were taken before the effective application of IFRS16 - Leases and since the leased amount is not material both to the Group and the Company, no reclassification of the assets were made from plant and equipment to right of use assets. The amount of lease liability has been recorded under borrowings in the statement of financial position.

Notes to the Financial Statements (Cont'd)

5. PLANT AND EQUIPMENT (Cont'd)

	Furniture & fittings and equipment MUR	Computer Equipment MUR	Total MUR
The Company			
COST			
At 1 July 2019	-	-	-
Additions	-	78,453	78,453
At 30 June 2020	-	78,453	78,453
At 1 July 2020	-	78,453	78,453
Additions	8,507,349	84,487	8,591,836
At 30 June 2021	**8,507,349**	**162,940**	**8,670,289**
ACCUMULATED DEPRECIATION			
At 1 July 2019	-	-	-
Charge for the year	-	19,378	19,378
At 30 June 2020	-	19,378	19,378
At 1 July 2020	-	19,378	19,378
Charge for the year	422,673	51,566	474,239
At 30 June 2021	**422,673**	**70,944**	**493,617**
NET BOOK VALUE			
At 30 June 2021	**8,084,676**	**91,996**	**8,176,672**
At 30 June 2020	-	59,075	59,075

Notes to the Financial Statements (Cont'd)

6. INTANGIBLE ASSETS

	Acquired Software MUR	Software Development MUR	Total MUR
The Group			
COST			
At 1 July 2019	403,685	18,666,057	19,069,742
Additions	-	8,519,798	8,519,798
Written off	-	(243,950)	(243,950)
At 30 June 2020	403,685	26,941,905	27,345,590
At 1 July 2020	403,685	26,941,905	27,345,590
Additions	9,177	6,677,948	6,687,125
Written off	-	(44,110)	(44,110)
At 30 June 2021	**412,862**	**33,575,743**	**33,988,605**
AMORTISATION			
At 1 July 2019	297,298	5,695,538	5,992,836
Charge for the year	37,200	3,482,951	3,520,151
At 30 June 2020	334,498	9,178,489	9,512,987
At 1 July 2020	334,498	9,178,489	9,512,987
Charge for the year	49,291	4,961,063	5,010,354
At 30 June 2021	**383,789**	**14,139,552**	**14,523,341**
NET BOOK VALUES			
At 30 June 2021	**29,073**	**19,436,191**	**19,465,264**
At 30 June 2020	69,187	17,763,416	17,832,603

Notes to the Financial Statements (Cont'd)

7. RIGHT OF USE ASSETS

	Leased premises MUR
The Group and the Company	
COST	
At 1 July 2020	-
Additions	15,408,578
At 30 June 2021	**15,408,578**
ACCUMULATED AMORTISATION	
At 1 July 2020	-
Charge for the year	2,054,477
At 30 June 2021	**2,054,477**
NET BOOK VALUE	**13,354,101**

The lease relates to rental of building by the Group and the Company

8. DEFERRED TAX

Deferred taxes are calculated on all temporary differences on the liability method at 15% (2020: 15%). The following amounts are shown in the statement of financial position:

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Deferred tax assets	**7,562,548**	7,051,403	**1,420,814**	962,600

Movement on the deferred tax account:

	The Group		The Company	
	2021 Rs	2020 MUR	2021 MUR	2020 MUR
At 1 July	**7,051,403**	4,182,610	**962,600**	143,524
Translation difference	**(59,502)**	(288,697)	**-**	-
Movement during the year	**570,647**	3,157,490	**458,214**	819,076
At 30 June	**7,562,548**	7,051,403	**1,420,814**	962,600
Analysed as follows:				
- Accelerated capital allowances	**(2,922,249)**	(2,216,528)	**(381,236)**	-
- Retirement benefit obligations	**597,124**	859,608	**140,603**	142,352
- Allowance for doubtful debts	**573,410**	518,462	**1,661,447**	820,248
- Unrealised exchange differences	**725,304**	1,473,498	**-**	-
- Other items	**822,261**	30,496	**-**	-
- Tax losses	**7,766,698**	6,385,867	**-**	-
	7,562,548	7,051,403	**1,420,814**	962,600

Notes to the Financial Statements (Cont'd)

9. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 MUR	2020 MUR
COST		
At 1 July	**19,107,575**	18,607,575
Additions	-	500,000
At 30 June	**19,107,575**	19,107,575
IMPAIRMENT		
At 1 July	**4,585,000**	-
Charge for the year	-	4,585,000
At 30 June	**4,585,000**	4,585,000
CARRYING AMOUNT	**14,522,575**	14,522,575

Notes to the Financial Statements (Cont'd)

9. INVESTMENTS IN SUBSIDIARIES

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

Name of company	Class of shares held	Country of incorporation and operation		2021 Stated Capital	2020 Stated Capital	2021 Effective Holding (%)	2020 Effective Holding (%)
Held directly by the Company:							
Infosystems AA Ltd	Ordinary	Mauritius	MUR'000	**100**	100	**100**	100
Digiconsult AA Ltd	Ordinary	Mauritius	MUR'000	**100**	100	**100**	100
Ventures AA Ltd	Ordinary	Mauritius	MUR'000	**100**	100	**100**	100
The Core AA Ltd [1]	Ordinary	Mauritius	MUR'000	**300**	300	**100**	100
Anglo African Ltd	Ordinary	Mauritius	MUR'000	**100**	100	**100**	100
Anglo AI Ltd	Ordinary	Mauritius	MUR'000	**1**	1	**100**	100
Nano AA Ltd	Ordinary	Mauritius	MUR'000	**7,500**	7,500	**100**	100
EC3 AA Ltd	Ordinary	Mauritius	MUR'000	**500**	500	**100**	100
Sustainable ALTernative Consultancy Ltd [2]	Ordinary	Mauritius	MUR'000	**10**	-	**75**	-
Held through the Subsidiaries of the Company:							
Anglo African Zimbabwe (Private) Limited [3]	Ordinary	Zimbabwe	USD'000	**2**	2	**100**	100
Anglo African Zambia Limited	Ordinary	Zambia	ZMW'000	**300**	300	**100**	100
NanoSAIO Ltd	Ordinary	Mauritius	MUR'000	**600**	600	**100**	100
NanoAFRI AA Ltd [4]	Ordinary	Mauritius	USD'000	**250**	250	**80**	80
NanoB&K Private Limited	Ordinary	India	INR'000	**2000**	2000	**100**	100
Anglo NanoTECH Ltd	Ordinary	Mauritius	MUR'000	**100**	100	**100**	100

(1) *On 10 August 2021 Anglo African International Ltd changed its name to The Core AA Ltd*

(2) *Sustainable ALTernative Consultancy Ltd was incorporated on 27 July 2020.*

(3) *Anglo African Zimbabwe (Private) Ltd is no longer in operation.*

(4) *Nano Afri AA Ltd was converted from a Global Business Company category 1 to a domestic company on 15 January 2021.*

Notes to the Financial Statements (Cont'd)

10. OTHER FINANCIAL ASSETS

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Deposit with financial institutions	**5,060,581**	5,079,708	**5,060,581**	5,079,708
Loans to related parties	**21,057,552**	21,871,368	**21,057,552**	21,871,368
	26,118,133	26,951,076	**26,118,133**	26,951,076
Loan to subsidiaries	-	-	**14,348,716**	14,348,716
Impairment	-	-	**(5,566,006)**	(5,566,006)
	-	-	**8,782,710**	8,782,710
Total	**26,118,133**	26,951,076	**34,900,843**	35,733,786
Remaining term to maturity:				
- Up to 1 year	**26,118,133**	21,871,368	**26,118,133**	21,871,368
- Over 1 year and up to 5 years	-	5,079,708	**8,782,710**	13,862,418
	26,118,133	26,951,076	**34,900,843**	35,733,786

	The Company	
	2021 MUR	2020 MUR
Impairment on loans to subsidiaries:		
At 1 July	**5,566,006**	152,643
Recognised during the year	-	5,413,363
At 30 June	**5,566,006**	5,566,006

Other financial assets are measured at amortised cost. The amounts stated represent the Group's and the Company's maximum exposure to credit risk.

Loans to related parties carried interest at 3.85% p.a (2020: 3.85% and 5.50% p.a), are secured by guarantee from Anglo African Property (Moka) Ltd and are repayable in full within one year.

Loans to subsidiaries are unsecured and carried interest at 4.10% (2020: 4.10% to 5.75%) per annum.

The deposit with financial institutions has been pledged as collateral for a bank loan taken by a subsidiary.

11. INVENTORIES

	The Group	
	2021 MUR	2020 MUR
ICT equipment	**3,664,752**	2,997,135
Less provision for write down of inventories	**(276,330)**	(278,392)
At 30 June	**3,388,422**	2,718,743

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

Notes to the Financial Statements (Cont'd)

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Trade receivables	**68,719,384**	62,706,400	-	-
Allowance for doubtful debts	**(3,822,732)**	(3,456,410)	-	-
	64,896,652	59,249,990	-	-
Contract assets	**55,300,028**	14,800,535	-	-
Tax receivable (Note 21(a))	**274,698**	1,462,142	-	-
Other receivables and prepayments	**11,733,713**	10,801,357	**487,500**	535,922
Amounts due from subsidiaries	-	-	**25,875,515**	12,051,397
	132,205,091	86,314,024	**26,363,015**	12,587,319

The average credit period on sales is 1 month. No interest is charged on trade receivables. The carrying amounts of trade and other receivables approximate their fair values and represent the Group and Company's maximum exposure to credit risk. No collateral is held on those receivables.

Contract assets relate to the group's rights to consideration for work completed but not billed at the reporting date on projects with customers. The contract assets are transferred to trade receivables when the rights become unconditional, which occurs when the group issues an invoice to the customer.

The amounts due from subsidiaries carried interest at 4.1% (2020: 4.1% to 5.75%) per annum, are unsecured and are repayable on demand. The amounts are net of allowance for doubtful debts of MUR 5,508,304 (2020: Nil).

	The Group	
	2021 MUR	2020 MUR
Ageing of past due but not impaired trade receivables		
Up to 60 days	**28,328,553**	13,949,903
61 to 120 days	**2,378,468**	11,766,692
121 to 180 days	**1,168,929**	107,721
Over 180 days	**13,695,758**	12,336,346
	45,571,708	38,160,662
Ageing of impaired trade receivables		
Up to 60 days	-	-
61 to 120 days	-	116,814
121 to 180 days	-	-
Over 180 days	**1,583,053**	142,784
	1,583,053	259,598
Movement in the allowance for doubtful debts		
At 1 July	**3,456,410**	5,352,460
Translation	**345,190**	(255,585)
Provision for the year, net of reversal	**21,132**	(1,640,465)
At 30 June	**3,822,732**	3,456,410

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

Notes to the Financial Statements (Cont'd)

13. STATED CAPITAL

	The Group & The Company	
	2021 MUR	2020 MUR
Issued and fully paid:		
1,000 Ordinary shares	**100,000**	100,000

14. LEASE LIABILITIES

	The Group & The Company
	2021 MUR
Analysed as follows:	
- Non-current	**13,964,576**
- Current	**2,132,025**
	16,096,601

The lease relates to rental of building by the Group and the Company.

The Group and the company do not face significant liquidity risk with regards to its lease liabilities. Management monitors the lease liabilities which are denominated in MUR.

15. BORROWINGS

	The Group	
	2021 MUR	2020 MUR
Bank borrowings	**6,599,995**	1,192,954
Obligations under finance lease	**616,783**	775,982
	7,216,778	1,968,936
Analysed as follows:		
- Non-current	**5,069,693**	1,352,483
- Current	**2,147,085**	616,453
	7,216,778	1,968,936

Bank borrowings

On 26 June 2020, one of the subsidiaries was granted a loan under Covid 19 Support Programme for an amount of MUR 5Mn. The loan carries a fixed interest rate of 1.5% p.a, is repayable in equal instalments over a period of 48 months with a moratorium of nine months. The holding company has provided a fixed deposit as collateral for the loan. Refer to note 10.

The other bank borrowing was taken to purchase a motor vehicle. The loan is secured by a lien on the motor vehicle. Variable interest rate is payable on the loan and the average interest applicable during the year was 5.10% per annum (2020: 6.75% per annum).

Notes to the Financial Statements (Cont'd)

15. BORROWINGS (Cont'd)

	The Group	
	2021 MUR	2020 MUR
The loan is repayable:		
Within one year	**1,980,986**	457,253
After one year but before three years	**4,619,009**	735,701
	6,599,995	1,192,954

Obligations under finance lease

The Group entered into finance lease arrangements for one of its motor vehicles. The Group has options to purchase the vehicles for a nominal amount at the conclusion of the lease agreements. The fixed rate of interest on finance leases was 4.25% (2020: 5.50%) per annum. The Group's obligations under finance leases are secured by the lessors title to the leased assets.

	The Group		The Company	
Maturity analysis:	Due in less than 1 year	Due between 1 and 5 years	Due in less than 1 year	Due between 1 and 5 years
The Group	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Minimum lease payments	**189,102**	476,023	**189,102**	665,124
Less: Interest	**(23,003)**	(25,339)	**(29,902)**	(48,342)
Principal (borrowings)	**166,099**	450,684	**159,200**	616,782

The borrowings are denominated in Mauritian Rupees.

The carrying amounts of borrowings approximate their fair value.

16. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations comprise mainly of benefits payable under the Workers Rights Act 2019, which provides for a lump sum to be payable at retirement based on final salary and years of service. As from January 2020, a new legislation was introduced by the government whereby the company shall remit to the authorities 4.5% of the monthly remuneration of its employees as portable retirement gratuity fund. These have been provided for and included in trade and other payables in the statement of financial position.

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

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
At 1 July	**5,730,717**	5,567,013	**949,012**	901,867
(Reversal)/Provision for the year	**(1,749,893)**	861,274	**(11,657)**	47,145
Reclassified to other payables	**-**	(697,570)	**-**	-
At 30 June	**3,980,824**	5,730,717	**937,355**	949,012

Notes to the Financial Statements (Cont'd)

17. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Trade payables	**77,681,348**	38,645,758	**-**	-
Other payables	**14,129,118**	9,855,135	**1,277,239**	434,141
Amounts due to subsidiaries	**-**	-	**6,958,615**	-
Contract liabilities	**13,605,836**	12,931,723	**-**	-
	105,416,302	61,432,616	**8,235,854**	434,141

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

The amounts due to subsidiaries carried interest at 4.1%(2020: 4.1% to 5.75%) per annum, do not have any terms and conditions and are repayable on demand.

Contract liabilities relate to amounts received in advance of delivery of equipment and services, for which revenue will be recognised when the group transfers control of equipment to the customer at a point in time and over time for services.

18. OTHER INCOME

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Other revenues	**5,846,499**	1,042,749	**7,000,792**	240,000
Dividend income	**-**	-	**16,000,000**	8,000,000
Profit on disposal of plant and equipment	**-**	293,373	**-**	-
Interest income	**1,058,956**	1,013,971	**1,389,281**	1,229,187
	6,905,455	2,350,093	**24,390,073**	9,469,187

19. ADMINISTRATIVE AND OTHER EXPENSES

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Depreciation and amortisation	**9,468,355**	6,029,606	**474,239**	19,378
Staff costs	**48,233,689**	41,073,210	**4,071,879**	2,668,897
Reversal of impairment on trade receivables	**21,132**	(1,640,465)	**-**	-
Others	**17,157,010**	18,789,193	**4,752,946**	1,466,887
	74,880,186	64,251,544	**9,299,064**	4,155,162

20. FINANCE COSTS

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Interest on bank overdraft	**73,529**	58,758	**-**	-
Interest on loan	**155,516**	102,931	**-**	-
Interest on finance leases	**29,902**	14,016	**-**	-
Interest on lease liabilities	**688,065**	-	**688,065**	-
	947,012	175,705	**688,065**	-

Notes to the Financial Statements (Cont'd)

21. CURRENT TAX LIABILITIES

(a) Statement of financial position

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
At 1 July, tax liabilities	**1,450,450**	2,835,894	**54,176**	181,179
At 1 July, tax receivable	**(1,462,142)**	(237,995)	-	-
Translation	**(286,347)**	(115,127)	-	-
Under/(Over) provision in prior years	**171,789**	(118,342)	-	(68,176)
Income tax provision for the year	**6,097,022**	3,229,123	**553,286**	41,112
Tax receivable written off	**754,814**	-	-	-
Net tax paid	**(3,537,401)**	(5,605,245)	**(41,459)**	(99,939)
Transfer to tax receivable (Note 12)	**274,698**	1,462,142	-	-
At 30 June	**3,462,883**	1,450,450	**566,033**	54,176

(b) Statement of profit or loss

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Income tax provision for the year	**6,097,022**	3,229,123	**553,286**	41,112
Under/(Over) provision in prior years	**171,789**	(118,342)	-	(68,176)
Deferred Tax (Note 8)	**(570,647)**	(3,157,490)	**(458,214)**	(819,076)
At 30 June	**5,698,164**	(46,709)	**95,072**	(846,140)

(c) Reconciliation between tax on accounting profit and income tax expense:

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Profit/(loss) before tax	**28,712,693**	1,155,508	**15,420,733**	(4,686,528)
Tax at the rate of 15% (2020:15%)	**4,306,904**	173,326	**2,313,110**	(702,979)
Effect of different tax rates	**85,033**	(740,130)	-	-
Corporate social responsibility contribution & Levy	**1,023,588**	380,984	-	4,837
Expenses not deductible for tax purpose	**696,883**	778,770	**822,032**	1,267,681
Under/(Over) provision in prior years	**171,789**	(118,342)	-	(68,176)
Income not subject to tax	**(957,507)**	(553,565)	**(2,566,714)**	(1,347,503)
Underprovision of income tax in current year	-	(112,500)	-	-
Overprovision of deferred tax in previous years	**(270,698)**	-	**(530,457)**	-
Tax losses not recognised	**642,172**	144,748	**57,101**	-
Income tax expense	**5,698,164**	(46,709)	**95,072**	(846,140)

Notes to the Financial Statements (Cont'd)

22. NOTES TO THE STATEMENTS OF CASH FLOWS

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Cash flow from operating activities				
Profit/(loss) before tax from continuing operations	**28,712,693**	1,155,508	**15,420,432**	(4,686,528)
Adjustments for:				
Depreciation of plant and equipment	**2,403,524**	2,509,455	**474,239**	19,378
Amortisation of intangible assets	**5,010,354**	3,520,151	-	-
Amortisation of rights of use assets	**2,054,477**	-	**2,054,477**	-
Dividend income	-	-	**(16,000,000)**	(8,000,000)
Interest income	**(1,058,956)**	(1,013,971)	**(1,389,281)**	(1,229,187)
Interest expense	**947,012**	175,705	**688,065**	-
Exchange differences	**1,360,141**	1,363,323	-	-
Movement in retirement benefit obligations	**(1,749,893)**	92,813	**(11,657)**	47,145
Loss/(Profit) on disposal of plant and equipment	**5,292**	(293,373)	-	-
Impairment of trade receivables	**621,907**	(1,640,465)	-	5,413,363
Impairment of investments in subsidiaries	-	-	-	4,585,000
Tax receivable written off	**754,813**	-	-	-
Intangible assets written off	**44,110**	243,950	-	-
	39,105,474	6,113,096	**1,236,275**	(3,850,829)
Changes in working capital:				
Movement in inventories	**(669,679)**	265,181	-	-
Movement in trade and other receivables	**(47,444,288)**	10,379,866	**(13,445,373)**	(9,808,104)
Movement in trade and other payables	**43,989,008**	1,259,917	**7,801,672**	115,027
Cash generated from/(used in) operations	**34,980,515**	18,018,060	**(4,407,426)**	(13,543,906)

23. RELATED PARTY TRANSACTIONS

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

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
BALANCES				
Amount receivable from shareholder	**418,403**	175,413	**418,403**	175,413
Loans due from related parties	**21,057,552**	21,871,368	**21,057,552**	21,871,368
Loan due from subsidiaries	-	-	**8,782,710**	8,782,710
Amount receivable from subsidiaries	-	-	**25,875,515**	12,051,397
Investment in subsidiaries	-	-	**19,107,575**	19,107,575

Notes to the Financial Statements (Cont'd)

23. RELATED PARTY TRANSACTIONS (Cont'd)

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Transactions				
Loans to related parties, net of repayment	**3,250,000**	11,050,000	**3,250,000**	11,050,000
Interest income on loans to related parties	**936,184**	722,182	**936,184**	722,183
Advances to subsidiaries	-	-	-	9,551,397
Remuneration of directors and key management personnel	**12,127,145**	10,489,559	**5,259,363**	3,602,691
Dividend income from subsidiary	-	-	**16,000,000**	8,000,000
Interest income on loans to subsidiaries	-	-	**330,325**	215,216
Other revenue from subsidiaries	-	-	**7,000,792**	240,000

Outstanding balances at year end are unsecured and repayable within 6 months. Amount due from related parties bear interest at 3.85% p.a (2020: 3.85% to 5.50% p.a), are secured by guarantee from Anglo African Property (Moka) Ltd and are repayable in full within one year.

24. CONTINGENT LIABILITY

In 2020, a former employee of a subsidiary served a 'mise en demeure' against the subsidiary's executive directors. Management of the subsidiary has assessed the 'mise en demeure' and believe that there are no grounds for this case. Accordingly, no provision for damages has been made in these financial statements.

The Group has no litigation claims outstanding, pending or threatened against it which could have a material adverse effect on its financial position or results.

The Group gives bank guarantees in the ordinary course of business to third parties but do not expect these liabilities to crystallise. The amount outstanding at 30 June 2021 amounted to MUR 25,296,081 (2020: MUR 11,849,355).

Subsequent to year end, one of the subsidiaries provided additional bank guarantees to a third party for a total amount of approximately MUR 75,000,000.

25. CAPITAL COMMITMENTS

At 30 June 2021, the Group had capital commitments in respect of plant and equipment amounting to MUR 14.1Mn (2020: MUR 6Mn).

26. FINANCIAL RISK MANAGEMENT

26.1 Overview

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

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

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

Notes to the Financial Statements (Cont'd)

26. FINANCIAL RISK MANAGEMENT (Cont'd)

26.1 Overview (Cont'd)

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

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

26.2 Significant accounting policies

Details of the significant accounting policies in respect of financial asset, financial liability and equity instrument as well as the basis on which income and expenses are recognised, are disclosed in note 3 to the financial statements.

26.3 Capital risk management

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

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

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

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

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 gearing ratio at year end is as follows:

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Total borrowings	**23,313,379**	1,968,936	**16,096,601**	-
Less Cash and cash equivalents	**(47,390,250)**	(30,104,747)	**(364,633)**	(513,454)
Net debt	**(24,076,871)**	(28,135,811)	**15,731,968**	(513,454)
Total equity	**121,515,381**	102,711,772	**73,266,840**	62,941,480
Total capital plus net debt	**97,438,510**	74,575,961	**88,998,808**	62,428,026
Gearing (%)	**-25%**	**-38%**	**18%**	**1%**

Notes to the Financial Statements (Cont'd)

26. FINANCIAL RISK MANAGEMENT (Cont'd)

26.4 Categories of financial instruments

	The Group		The Company	
	2021 MUR	2020 MUR	2021 MUR	2020 MUR
Financial assets at amortised cost				
Trade and other receivables (including other financial assets)	**92,363,500**	92,942,766	**61,140,991**	48,321,105
Cash and cash equivalents	**48,642,050**	31,528,471	**364,633**	513,454
	141,005,550	124,471,237	**61,505,624**	48,834,559
Financial liabilities at amortised cost				
Trade and other payables	**79,060,655**	43,170,848	**8,017,126**	**334,599**
Lease liabilities	**16,096,601**	-	**16,096,601**	-
Bank overdraft	**1,251,800**	1,423,724	-	-
Borrowings	**7,216,778**	1,968,936	-	-
	103,625,834	46,563,508	**24,113,727**	**334,599**

Fair value estimations

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

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

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

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

26.5 Credit Risk

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

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

Details of the company's loans to subsidiaries and the group's ageing analysis of trade receivables are disclosed in notes 10 and 12 to the financial statements respectively. Provision has been made for any losses estimated from non-performance by these counterparties.

Notes to the Financial Statements (Cont'd)

26. FINANCIAL RISK MANAGEMENT (Cont'd)

26.6 Market Risk

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

26.6(a) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's borrowings relate mainly to bank loans and finance lease obligations at the following interest rate.

	2021	2020
Obligations under finance lease and bank loans	**1.50% - 4.25%**	4.25% - 7.50%

The bank loan granted to one of the subsidiaries under the Covid 19 Support Programme carries a fixed rate of interest and therefore the group is not exposed to movement in interest rate for this loan.

26.6(b) Foreign exchange risk

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

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars ('USD'). The Group's dealings in foreign currency purchases is managed by seeking the best rates. Fluctuations arising on purchase transactions are partly offset by sales transactions, effected in USD as a natural hedge.

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

	The Group		The Company	
2021	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	MUR	MUR	MUR	MUR
Currency				
Mauritian Rupee ('MUR')	**69,668,000**	38,909,434	**61,415,453**	24,113,727
United States Dollars ('USD')	**70,042,840**	63,674,916	**90,171**	-
Others	**1,294,710**	1,041,484	-	-
	141,005,550	103,625,834	**61,505,624**	24,113,727
2020				
Currency	**73,728,014**	15,073,970	**48,821,344**	334,599
Mauritian Rupee ('MUR')	**34,707,447**	30,789,694	**13,215**	-
United States Dollars ('USD')	**16,035,776**	699,844	-	-
Others	**124,471,237**	46,563,508	**48,834,559**	334,599

Notes to the Financial Statements (Cont'd)

26. FINANCIAL RISK MANAGEMENT (Cont'd)

26.6(b) Foreign exchange risk (Cont'd)

A sensitivity analysis, including only outstanding USD denominated monetary items and adjusting their translation at the period end for a 5% change in foreign currency rates, indicates that if the USD strengthens 5% against the Mauritian Rupee, the Group will incur a gain on exchange of MUR 318,396 (2020: MUR 195,888).

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

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

26.7 Liquidity risk

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

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

The Group	Less than 1 year	Between 1 and 5 years	Total
	MUR	MUR	MUR
2021			
Trade and other payables	**80,312,455**	**-**	**80,312,455**
Lease liabilities	**2,132,025**	**13,964,576**	**16,096,601**
Borrowings	**2,147,085**	**5,069,693**	**7,216,778**
	84,591,565	**19,034,269**	**103,625,834**
2020			
Trade and other payables	44,594,572	-	44,594,572
Borrowings	616,453	1,352,483	1,968,936
	45,211,025	1,352,483	46,563,508
The Company			
2021			
Lease liabilities	**2,132,025**	**13,964,576**	**16,096,601**
Trade and other payables	**8,017,126**	**-**	**8,017,126**
	10,149,151	**13,964,576**	**24,113,727**
2020			
Trade and other payables	334,599	-	334,599
	334,599	-	334,599

Notes to the Financial Statements (Cont'd)

27. ASSESSMENT OF COVID-19

Since the beginning of the year 2020, the spread of COVID-19 has caused significant volatility within many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The government has responded with fiscal policies to stabilise economic conditions and the Mauritian government has declared a national confinement both in mid-March 2020 till May 2020 and in mid-March 2021 till April 2021. The Company has determined that these events are non-adjusting subsequent events.

Accordingly, the financial position and results of operations as of and for the year ended 30 June 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time.

28. HOLDING COMPANY

The Company is wholly owned by The Anglo African Foundation, incorporated in the Republic of Mauritius.

29. DIVIDEND

The Company has declared dividends of MUR 5,000 per share amounting to MUR 5,000,000 during the year ended 30 Jun 2021 (2020: MUR 5,000,000).