BAYPORT MANAGEMENT LIMITED

(Registration number 54787 C1/GBL)

GROUP ANNUAL FINANCIAL STATEMENTS

for the year ended March 2014

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BAYPORT

FINANCIAL SERVICES

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The reports and statements set out below comprise the annual financial statements of the Group and the Company presented to the shareholders:

Secretary's Certificate in accordance with section 166(d) of the Mauritius Companies Act 2001

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001, for the year ended 31 March 2014.

DTOS Ltd
Company Secretary

General Information

Country of incorporation and domicile	Mauritius
Nature of business and principal activities	Holding company to businesses involved in provision of retail financial services, cellular handset, airtime agreements and related products
Registered office	DTOS Ltd 10th Floor, Raffles Tower 19, Cybercity, Ebene Mauritius
Business address	3rd Floor Ebene Skies Rue de L'Institut Ebene Mauritius
Bankers	Standard Chartered Bank (Mauritius) Limited Barclays Bank Mauritius Ltd
Auditor	Deloitte 7th Floor, Raffles Tower 19, Cybercity, Ebene
Company registration number	54787 C1/GBL

Directors' Responsibilities and Approval

The directors are required in terms of the Mauritius Companies Act 2001 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The annual 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 group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 group annual 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 group's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on page 7.

The annual financial statements set out on pages 8 to 55, which have been prepared on the going concern basis, were approved by the Board of Directors on 24 June 2014 and were signed on its behalf by:

Mr Eric Venpin
Director

Mr Jimmy Wong
Director

Directors' Report

The directors submit their report for the year ended 31 March 2014.

1. Review of financial results and activities

Main business and operations

Bayport Management Ltd (the "Company") is a holding company to businesses involved in provision of retail financial services, cellular handset, airtime agreements and related products. On 22 March 2013, the Company was listed on the Stock Exchange of Mauritius.

The operating results and state of affairs of the Company are fully set out in the attached Group annual financial statements and do not in our opinion require any further comment.

2. Stated capital

Stated capital increased due to issue of shares. Refer to note 14 for the details of share issues.

3. Dividends

No dividends were declared or paid to shareholders during the year or prior year.

4. Directors

The directors of the Company during the year and to date of this report are as follows:

Directors	Changes
Mr Eric Venpin	
Mr Jimmy Wong	
Mr Stuart Stone	
Mr Justin Chola	
Mr Grant Kurland	
Mr Henrik Persson	
Mr Jonathan Jawno	
Mr Voria Fattahi	
Mr Souleyman Ba	Appointed 07 January 2014
Mr Temitope Lawani	Appointed 07 January 2014
Mr Vladimer Gurgenidze	Appointed 31 January 2014
Mr Christopher Bischoff	Appointed 24 February 2014
Mr Michael Mendelowitz	Appointed 25 February 2014

5. 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.

6. Going concern

The annual 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.

7. Litigation statement

At the date of this report no material incidences of litigation existed against the Company or Group.

8. Auditors

Deloitte will continue in office in accordance with section 200 of the Mauritius Companies Act, 2001.

Directors' Report (continued)

9. Secretary

The company secretary is DTOS Ltd of:

Business address
10th Floor, Raffles Tower
19, Cybercity, Ebene
Mauritius

10. Available for sale investments

During the year, the Company adopted IFRS 13, fair value measurement with respect to its investment in Guardrisk Limited.

11. Change in accounting policy for investment in subsidiaries

During the year, the Company has changed its accounting policy for its investment in subsidiaries from fair value to cost less impairment losses. The change requires the Company to apply the change retrospectively according to IAS 8. Accordingly the Company presents a third statement of financial position as at the beginning of the preceeding period.

12. Interest in subsidiaries

The Company acquired 100% of Bayport Financial Services 2010 Proprietary Limited and Zenthyme Investments Proprietary Limited, two private limited companies registered in South Africa. The two companies are involved in the provision of unsecured credit, cellular handset and airtime agreements and related products.

Details of the company's investment in subsidiaries are set out in note 8.

Deloitte.

7th floor, Raffles Tower
19 Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the shareholders of Bayport Management Limited

This report is made solely to the company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **Bayport Management Limited ("the Company") and its Subsidiaries ("collectively referred to as "the Group")** on pages 8 to 55 which comprise the statements of financial position as at **31 March 2014** and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 8 to 55 give a true and fair view of the financial position of **Bayport Management Limited ("the Company") and its Subsidiaries ("collectively referred to as "the Group")** as at **31 March 2014**, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Report on other legal requirements

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

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

Deloitte.

Deloitte
Chartered Accountants

24 June 2014

L. Yeung Sik Yuen, ACA
Licensed by FRC

Statements of Financial Position as at 31 March 2014

		Group		Company		
Figures in US Dollar	Note(s)	2014	2013	2014	2013 (Restated)	2012 (Restated)
Assets						
Cash and cash equivalents	3	91,404,689	31,286,861	44,446,512	11,801,300	10,579,193
Net advances	4	856,772,616	339,760,732	-	-	-
Trade and other receivables	5	29,079,893	26,202,435	10,576,222	21,551,580	7,940,204
Amount due from related parties	6	3,108,498	3,143,767	219,679,930	164,368,453	73,846,045
Inventories	13	4,318,402	-	-	-	-
Other financial assets	7	56,056,233	21,922,451	12,292,844	21,922,451	4,040,486
Investments in subsidiaries	8	-	-	210,894,742	38,154,189	23,321,274
Goodwill	9	52,413,947	4,027,316	-	-	-
Deferred tax assets	10	13,355,750	4,412,218	-	-	-
Current tax receivable	31	3,535,338	-	-	-	-
Property and equipment	11	11,909,542	8,348,138	320,130	476,991	390,031
Intangible assets	12	1,488,989	403,411	141,363	299,546	103,130
Total Assets		**1,123,443,897**	**439,507,329**	**498,351,743**	**258,574,510**	**120,220,363**
Equity and Liabilities						
Equity						
Stated capital	14	151,415,680	10,590,509	151,415,680	10,590,509	5,337,447
Reserves		(35,776,537)	(9,180,808)	15,370,132	8,028,092	585,375
Retained earnings/(accumulated losses)		93,273,747	73,830,159	(28,995,086)	(21,732,275)	(17,135,772)
Equity attributable to equity holders of the company		208,912,890	75,239,860	137,790,726	(3,113,674)	(11,212,950)
Non-controlling interests		14,294,263	17,974,097	-	-	-
Total Equity		**223,207,153**	**93,213,957**	**137,790,726**	**(3,113,674)**	**(11,212,950)**
Liabilities						
Finance lease obligation	17	630,546	1,359,561	-	-	-
Bank overdraft	3	7,225,290	11,906,101	-	-	-
Trade and other payables	18	48,588,156	39,946,539	29,013,129	30,922,234	10,220,269
Provisions	19	3,199,408	3,689,359	772,227	1,492,835	1,618,798
Borrowings	20	830,025,971	287,818,564	330,060,185	228,551,953	117,374,075
Amounts due to related parties	6	1,913,103	171,899	715,476	721,162	2,220,171
Deferred tax liabilities	10	27,964	-	-	-	-
Current tax liabilities	31	8,626,306	1,401,349	-	-	-
Total Liabilities		**900,236,744**	**346,293,372**	**360,561,017**	**261,688,184**	**131,433,313**
Total Equity and Liabilities		**1,123,443,897**	**439,507,329**	**498,351,743**	**258,574,510**	**120,220,363**

The annual financial statements set out on pages 8 to 55, which have been prepared on the going concern basis, were approved and authorised for issue by the Board of Directors on 24 June 2014 and were signed on its behalf by:

Mr Eric Venpin
Director

Mr Jimmy Wong
Director

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in US Dollar	Note(s)	2014	2013	2014	2013 (Restated)
Continuing operations					
Interest income	22	185,671,851	134,477,630	30,387,536	19,478,548
Interest expense	23	(59,291,289)	(35,871,211)	(34,303,615)	(23,334,096)
Net interest income/(loss)		**126,380,562**	**98,606,419**	**(3,916,079)**	**(3,855,548)**
Fees and commission income	24	14,741,204	5,690,510	-	-
Dividend income		9,475,175	1,868,071	5,509,371	5,866,572
Other income	29	4,557,769	4,291,385	2,182,763	5,678,453
Impairment of loans and advances	4	(25,683,229)	(6,457,897)	-	-
Net operating income		**129,471,481**	**103,998,488**	**3,776,055**	**7,689,477**
Operating expenses		(85,935,563)	(60,572,462)	(8,094,714)	(6,815,587)
Foreign exchange gain/(loss)		3,788,982	(288,405)	1,362,461	753,067
Profit/(loss) before taxation		**47,324,900**	**43,137,621**	**(2,956,198)**	**1,626,957**
Taxation	26	(18,035,520)	(16,923,351)	(4,306,613)	(3,085,413)
Profit/(loss) from continuing operations	25	**29,289,380**	**26,214,270**	**(7,262,811)**	**(1,458,456)**
Discontinued operations					
Loss from discontinued operations	21	-	(1,924,190)	-	-
Impairment of investment in subsidiary		-	-	-	(3,138,047)
Profit/(loss) for the year		**29,289,380**	**24,290,080**	**(7,262,811)**	**(4,596,503)**
Other comprehensive (loss)/ income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences	30	(40,362,752)	(12,133,750)	-	-
Effects of cash flow hedges		(5,146,464)	7,422,681	(5,146,464)	7,422,681
Net gain on fair value of available for sale investments		12,267,844	-	12,267,844	-
Other comprehensive (loss)/income for the year		**(33,241,372)**	**(4,711,069)**	**7,121,380**	**7,422,681**
Total comprehensive (loss)/income for the year		**(3,951,992)**	**19,579,011**	**(141,431)**	**2,826,178**
Profit/(loss) for the year attributable to:					
Owners of the company		26,400,461	20,306,112	(7,262,811)	(4,596,503)
Non-controlling interests		2,888,919	3,983,968	-	-
		29,289,380	**24,290,080**	**(7,262,811)**	**(4,596,503)**
Total comprehensive (loss)/ income attributable to:					
Owners of the company		(3,872,369)	16,486,511	(141,431)	2,826,178
Non-controlling interests		(79,623)	3,092,500	-	-
		(3,951,992)	**19,579,011**	**(141,431)**	**2,826,178**
Earnings per share					
From continuing and discontinued operations					
Basic earnings per share	27	1.46	1.28	-	-
Diluted earnings per share	27	1.46	1.26	-	-
From continuing operations					
Basic earnings per share	27	1.46	1.40	-	-
Diluted earnings per share	27	1.46	1.38	-	-

Statements of Changes in Equity

Figures in US Dollar	Stated capital	Share premium	Total stated capital	Translation reserve	Cash flow hedging reserve	Equity settled reserve	Other reserves	Total reserves	Retained earnings	Attributable to owners of the company	Retained earnings attributable to non-controlling interests	Other reserves attributable to non-controlling interests	Total non-controlling interests	Total equity
Group														
Balance at 01 April 2012	**14,302**	**5,323,145**	**5,337,447**	**(18,814,068)**	**585,375**	**-**	**9,306,847**	**(8,921,846)**	**58,068,481**	**54,484,082**	**14,005,383**	**1,483,909**	**15,489,292**	**69,973,374**
Profit for the year	-	-	-	-	-	-	-	-	20,306,112	20,306,112	3,983,968	-	3,983,968	24,290,080
Transfer to reserves (note 16)	-	-	-	-	-	-	3,492,206	3,492,206	(3,492,206)	-	(759,492)	759,492	-	-
Other comprehensive (loss)/ income	-	-	-	(11,242,282)	7,422,681	-	-	(3,819,601)	-	(3,819,601)	(891,468)	-	(891,468)	(4,711,069)
Total comprehensive (loss)/ income for the year	**-**	**-**	**-**	**(11,242,282)**	**7,422,681**	**-**	**3,492,206**	**(327,395)**	**16,813,906**	**16,486,511**	**2,333,008**	**759,492**	**3,092,500**	**19,579,011**
Issue of shares	1,980	5,251,082	5,253,062	-	-	-	-	-	-	5,253,062	-	-	-	5,253,062
Non-controlling interests on incorporation of new subsidiaries	-	-	-	-	-	-	-	-	-	-	16,676	-	16,676	16,676
Recognition of share-based payments	-	-	-	-	-	20,036	-	20,036	-	20,036	-	-	-	20,036
Changes in ownership interests	-	-	-	48,397	-	-	-	48,397	(1,052,228)	(1,003,831)	(624,371)	-	(624,371)	(1,628,202)
	1,980	**5,251,082**	**5,253,062**	**48,397**	**-**	**20,036**	**-**	**68,433**	**(1,052,228)**	**4,269,267**	**(607,695)**	**-**	**(607,695)**	**3,661,572**
Balance at 01 April 2013	**16,282**	**10,574,227**	**10,590,509**	**(30,007,953)**	**8,008,056**	**20,036**	**12,799,053**	**(9,180,808)**	**73,830,159**	**75,239,860**	**15,730,696**	**2,243,401**	**17,974,097**	**93,213,957**
Profit for the year	-	-	-	-	-	-	-	-	26,400,461	26,400,461	2,888,919	-	2,888,919	29,289,380
Transfer to reserves (note 16)	-	-	-	-	-	-	3,456,441	3,456,441	(3,456,441)	-	(160,356)	160,356	-	-
Other comprehensive (loss)/ income	-	-	-	(37,394,210)	(5,146,464)	-	12,267,844	(30,272,830)	-	(30,272,830)	(2,968,542)	-	(2,968,542)	(33,241,372)
Total comprehensive (loss)/ income for the year	**-**	**-**	**-**	**(37,394,210)**	**(5,146,464)**	**-**	**15,724,285**	**(26,816,389)**	**22,944,020**	**(3,872,369)**	**(239,979)**	**160,356**	**(79,623)**	**(3,951,992)**
Issue of shares	7,945	140,817,226	140,825,171	-	-	-	-	-	-	140,825,171	-	-	-	140,825,171
Changes in ownership interests	-	-	-	-	-	-	-	-	(3,500,432)	(3,500,432)	(3,541,484)	-	(3,541,484)	(7,041,916)
Additional non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(58,727)	-	(58,727)	(58,727)
Recognition of share based payments	-	-	-	-	-	220,660	-	220,660	-	220,660	-	-	-	220,660
	7,945	**140,817,226**	**140,825,171**	**-**	**-**	**220,660**	**-**	**220,660**	**(3,500,432)**	**137,545,399**	**(3,600,211)**	**-**	**(3,600,211)**	**133,945,188**
Balance at 31 March 2014	**24,227**	**151,391,453**	**151,415,680**	**(67,402,163)**	**2,861,592**	**240,696**	**28,523,338**	**(35,776,537)**	**93,273,747**	**208,912,890**	**11,890,506**	**2,403,757**	**14,294,263**	**223,207,153**
Note(s)	14	14	14			15	16					16		

Statements of Changes in Equity

Figures in US Dollar	Stated capital	Share premium	Total stated capital	Translation reserve	Cash flow hedging reserve	Equity settled reserve	Other reserves	Total reserves	Accumulated losses	Attributable to owners of the company	Retained earnings attributable to non-controlling interests	Other reserves attributable to non-controlling interests	Total non-controlling interests	Total equity
Company														
Balance at 01 April 2012 (as previously reported)	**14,302**	**5,323,145**	**5,337,447**	**-**	**585,375**	**-**	**60,999,511**	**61,584,886**	**(17,135,772)**	**49,786,561**	**-**	**-**	**-**	**49,786,561**
Adjustments:														
Change in accounting policy	-	-	-	-	-	-	(60,999,511)	(60,999,511)	-	(60,999,511)	-	-	-	(60,999,511)
Balance at 01 April 2012 (restated)	**14,302**	**5,323,145**	**5,337,447**	**-**	**585,375**	**-**	**-**	**585,375**	**(17,135,772)**	**(11,212,950)**	**-**	**-**	**-**	**(11,212,950)**
Loss for the year	-	-	-	-	-	-	-	-	(4,596,503)	(4,596,503)	-	-	-	(4,596,503)
Other comprehensive income	-	-	-	-	7,422,681	-	-	7,422,681	-	7,422,681	-	-	-	7,422,681
Total comprehensive income/ (loss) for the year	-	-	-	-	7,422,681	-	-	7,422,681	(4,596,503)	2,826,178	-	-	-	2,826,178
Issue of shares	1,980	5,251,082	5,253,062	-	-	-	-	-	-	5,253,062	-	-	-	5,253,062
Recognition of share-based payments	-	-	-	-	-	20,036	-	20,036	-	20,036	-	-	-	20,036
	1,980	**5,251,082**	**5,253,062**	**-**	**-**	**20,036**	**-**	**20,036**	**-**	**5,273,098**	**-**	**-**	**-**	**5,273,098**
Balance at 01 April 2013 (restated)	**16,282**	**10,574,227**	**10,590,509**	**-**	**8,008,056**	**20,036**	**-**	**8,028,092**	**(21,732,275)**	**(3,113,674)**	**-**	**-**	**-**	**(3,113,674)**
Loss for the year	-	-	-	-	-	-	-	-	(7,262,811)	(7,262,811)	-	-	-	(7,262,811)
Other comprehensive (loss)/income	-	-	-	-	(5,146,464)	-	12,267,844	7,121,380	-	7,121,380	-	-	-	7,121,380
Total comprehensive (loss)/income for the year	**-**	**-**	**-**	**-**	**(5,146,464)**	**-**	**12,267,844**	**7,121,380**	**(7,262,811)**	**(141,431)**	**-**	**-**	**-**	**(141,431)**
Issue of shares	7,945	140,817,226	140,825,171	-	-	-	-	-	-	140,825,171	-	-	-	140,825,171
Recognition of share based payments	-	-	-	-	-	220,660	-	220,660	-	220,660	-	-	-	220,660
	7,945	**140,817,226**	**140,825,171**	**-**	**-**	**220,660**	**-**	**220,660**	**-**	**141,045,831**	**-**	**-**	**-**	**141,045,831**
Balance at 31 March 2014	**24,227**	**151,391,453**	**151,415,680**	**-**	**2,861,592**	**240,696**	**12,267,844**	**15,370,132**	**(28,995,086)**	**137,790,726**	**-**	**-**	**-**	**137,790,726**
Note(s)	14	14	14			15	16							

Statements of Cash Flows

		Group		Company	
Figures in US Dollar	Note(s)	2014	2013	2014	2013
Cash flows from operating activities					
Cash (used in)/generated from operations	28	(42,516,698)	(45,479,239)	19,711,936	18,947,581
Dividends received		7,410,331	1,868,071	2,410,628	1,868,071
Finance costs		(53,360,403)	(28,611,621)	(28,372,728)	(16,074,506)
Tax paid	31	(19,055,738)	(20,325,111)	(4,306,613)	(3,085,413)
Net cash (used in)/generated from operating activities		**(107,522,508)**	**(92,547,900)**	**(10,556,777)**	**1,655,733**
Cash flows from investing activities					
Purchase of property and equipment and intangibles	11&12	(4,602,427)	(5,483,379)	(64,389)	(1,237,106)
Proceeds on disposal of property and equipment and intangibles		746,784	328,910	5,477	14,656
Net cash outflow on acquisition of subsidiaries	32	(130,491,639)	(1,630,000)	(154,028,039)	(1,630,000)
Net increase/(decrease) in amounts due from related parties		1,173,000	533,242	(57,558,185)	(103,337,232)
Purchase of shares on incorporation of subsidiaries		-	-	(38)	(442,461)
Proceeds from issue of shares to non-controlling interests		-	7,663	-	-
Acquisition of non-controlling interests		(2,500,000)	-	(2,500,000)	-
Further acquisition of shares in subsidiaries		-	-	(11,670,560)	-
Net cash used in investing activities		**(135,674,282)**	**(6,243,564)**	**(225,815,734)**	**(106,632,143)**
Cash flows from financing activities					
Proceeds from share issue	14	140,825,171	5,253,062	140,825,171	5,253,062
Proceeds from issue of bonds		103,112,552	98,870,057	103,112,552	98,870,057
Net increase in borrowings		39,554,659	5,241,877	-	2,075,398
Proceeds from unwinding of cross currency swaps		25,080,000	-	25,080,000	-
Net cash generated from financing activities		**308,572,382**	**109,364,996**	**269,017,723**	**106,198,517**
Net increase in cash and cash equivalents		**65,375,592**	**10,573,532**	**32,645,212**	**1,222,107**
Cash and cash equivalents at the beginning of the year		19,380,760	9,033,458	11,801,300	10,579,193
Effect of foreign exchange rate changes		(576,953)	(226,230)	-	-
Total cash and cash equivalents at end of the year	3	**84,179,399**	**19,380,760**	**44,446,512**	**11,801,300**

Significant Accounting Policies

1. Statement of compliance and presentation of Financial Statements

The Group annual financial statements have been prepared in accordance with International Financial Reporting Standards . The Group annual financial statements have been prepared on the historical cost basis, except for the measurement of certain non-current assets and financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in US Dollars.

The Group and Company statement of financial position are presented in order of liquidity. Reference to the current maturities of these financial assets and liabilities are disclosed in the statement of financial position notes and in the analysis of financial assets and liabilities. The accounting policies are consistent with the previous year, except where otherwise specifically stated.

1.1 Consolidation

Basis of consolidation

The consolidated group annual financial statements incorporate the annual financial statements of the company and all entities including special purpose entities which are controlled by the group.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated group annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the group annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Significant Accounting Policies (continued)

1.1 Consolidation (continued)

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued.Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.2 Significant judgements and sources of estimation uncertainty

The presentation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.3 Property and equipment

The cost of an item of property 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 and equipment is initially measured at cost.

Significant Accounting Policies (continued)

1.3 Property and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

When an item of property and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The revaluation surplus in equity related to a specific item of property and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	**Average useful life**
Buildings	50 years
Furniture and fittings	3 - 10 years
Motor vehicles	3 - 4 years
Office equipment	3 - 6 years
IT equipment	3 - 6 years
Leasehold improvements	over the expected term of the lease

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for a prospective basis:

Item	**Useful life**
Computer software	2 - 5 years
Distribution channel	3 years

Significant Accounting Policies (continued)

1.5 Investments in subsidiaries

Company annual financial statements

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less accumulated impairment.

Subsidiaries acquired during the year are stated at cost less any impairment.

The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.6 Advances and provisions for impairment

Advances are disclosed net of impairment provisions, which in the opinion of the directors, are required. Specific impairment provisions are made against identified doubtful advances. Portfolio provisions are maintained to cover potential losses, which although not specifically identified, are considered to be present.

Advances, which are deemed uncollectible, are written off against the specific impairment provision. Loans previously written off which subsequently become fully performing again are reincorporated in the advances portfolio.

Both the specific and portfolio provisions raised during the year, less recoveries of advances previously written off, are charged in profit or loss.

The group reviews the carrying amounts of its advances to determine whether there is any indication that those advances have suffered an impairment loss. Where it is possible to estimate the recoverable amount of an individual advance, the company estimates the recoverable amount on a portfolio basis for a group of similar financial assets.

The recoverable amount is the sum of the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the portfolio of advances' original effective interest rate.

If the recoverable amount of the advance is estimated to be less than the carrying amount, the carrying amount of the advance is reduced to its recoverable amount by raising a specific impairment provision, which is recognised as an expense in profit or loss.

1.7 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:
- Financial assets at fair value through profit or loss
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Initial recognition and measurement

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

The group 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.

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

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Significant Accounting Policies (continued)

1.7 Financial instruments (continued)

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

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

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

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 group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the group 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 group, 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.

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.

Loans to group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Significant Accounting Policies (continued)

1.7 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Hedging activities

Designated and effective hedging instruments are excluded from the definition of financial instruments at fair value through profit or loss.

The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge)
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge);

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in notes to the financial statements.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised to other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in profit or loss as a reclassification adjustment through to other comprehensive income when the forecast transaction is ultimately recognised in profit or loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in profit or loss as a reclassification adjustment through to other comprehensive income.

Significant Accounting Policies (continued)

1.7 Financial instruments (continued)

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.8 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).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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.

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.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability.The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

Significant Accounting Policies (continued)

1.10 Inventories (continued)

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.11 Impairment of assets other than financial assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 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.

1.13 Share based payments arrangements

Equity-settled share based payments to senior executives providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of eqUity-settled share-based transactions are set out in notes to the financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled benefit reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

1.14 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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Significant Accounting Policies (continued)

1.15 Provisions and contingencies

Provisions are recognised when:
- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes to the financial statements.

1.16 Revenue

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 income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.17 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous group annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in US dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

Significant Accounting Policies (continued)

1.18 Translation of foreign currencies (continued)

Investments in subsidiaries

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at average exchange rates for the period; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.19 Related parties

Related parties are individuals and companies, where the individual and company have the ability, directly or indirectly, to control the other party or exercise significant influence on the other party in making financial and operating decisions. Related party transactions and balances are disclosed in the notes to the financial statements.

1.20 Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The group's primary format for segment reporting is based on geographical segments.

1.21 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes to the Group Annual Financial Statements

2. New Standards and Interpretations

In the current period, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 April 2013. The application of these new and revised Standards and Interpretations has not resulted in major changes to the Company's accounting policies.

2.1 New and revised standards and interpretations with no material effect on the financial statements

The following relevant Standards and Interpretations have been applied in these financial statements. However, they did not have any impact on the Company's financial statements but may impact the accounts for future transactions or arrangements.

IAS 1 Presentation of financial statements - amendments to revise the way other comprehensive income is presented (change in presentation)

IAS 1 Presentation of financial statements - amendments resulting from Annual Improvements 2009 - 2011 cycle (comparative information) (effective 1 January 2013)

IAS 16 Property, Plant and Equipment - amendments resulting from Annual Improvements 2009 - 2011 cycle (servicing equipment) (effective 1 January 2013)

IAS 19 Employee Benefits - amended standard resulting from the post- employment benefits and terminations benefits projetcs (effective 1 January 2013

IAS 27 Separate Financial Statements - original issue (effective 1 January 2013)

IAS 32 Financial Instruments: Presentations - amendments resulting from Annual Improvements 2009 - 2011 Cycle (tax effect of equity distributions) (effective 1 January 2013)

IAS 34 Interim Financial Reporting - amendments resulting from Annual Improvements 2009 - 2011 Cycle (Interim reporting of segment assets (effective 1 January 2013)

IFRS 7 Financial Instruments: Disclosures - amendments related to the offsetting of assets and liabilities (effective 1 January 2013)

IFRS 10 Consolidated Financial Statements - original issue (effective 1 January 2013)

IFRS 10 Consolidated Financial Statements - amendments to transitional guidance (effective 1 January 2013)

IFRS 12 Disclosure of Interests in other entities - original issues (effective 1 January 2013)

IFRS 12 Amendments to transitional guidance (effective 1 January 2013)

IFRS 13 Fair Value Measurement - original issue (effective 1 January 2013)

2.2 Standards and interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following applicable Standards and Interpretations were in issue but effective on annual period on or after the respective dates as indicated:

IAS 16 Property,plant and equipment - amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016)

IAS 19 Employee benefits - amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service (effective 1 July 2014)

IAS 24 Related Party Disclosures - amendments resulting from Annual improvements 2010-2012 Cycle (management entities) (effective 1 July 2014)

IAS 27 Seperate Financial Statements - amendments for investment entities (effective 1 January 2014)

IAS 32 Financial Instruments: Presentation - amendments relating to the offsetting of assets and liabilities (effective date 1 January 2014)

IAS 36 Impairment of Assets - amendments arising from Recoverable Amount Disclosures for Non-Financial assets (effective 1 January 2014)

Notes to the Group Annual Financial Statements (continued)

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations in issue but not yet effective (continued)

IAS 38 Intangible Assets - amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation (effective 1 Juy 2014)

IAS 38 Intangible Assets - amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016)

IAS 39 Financial Instruments : Recognition and Measurement - amendments for novations of derivatives (effective 1 January 2014)

IAS 39 Financial Instruments : amendments to permit an entity to elect to continue to apply the hedge of the interest rate exposure of a portion of a porfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2014)

IFRS 2 Share based Payment - amendments resulting from Annual Improvements 2010-2012 Cycle (definition of 'vesting condition') (effective 1 July 2014)

IFRS 3 Business Combinations - amendments resulting from Annual Improvement 2010-2012 Cycle (accounting for contingent consideration) (effective 1 July 2014)

IFRS 3 Business Combinations - amendments resulting from Annual Improvement 2011-2013 Cycle (scope exception for joint ventures) (effective 1 July 2014)

IFRS 7 Financial Instruments: Disclosures - deferral of mandatory effective date of IFRS 9 amendments to transition disclosures (effective 1 January 2018).

IFRS 7 Financial Instruments: Disclosures - additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)

IFRS 8 Operating Segments - amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments,reconciliation of segment assets (effective 1 July 2014).

IFRS 9 Financial Instruments: original issue (Classification and Measurement of financial assets) (effective 1 January 2018)

IFRS 9 Financial Instruments: Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (effective 1 January 2018)

IFRS 9 Financial Instruments:Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)

IFRS 9 Financial Instruments:Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9 (effective 1 January 2018)

IFRS 10 Consolidated Financial Statements - amendments for investment entities (effective 1 January 2014)

IFRS 12 Disclosure of Interests in Other Entities - amendments for investment entities (effective 1 January 2014)

IFRS 13 Fair Value Measurement -amendments resulting from Annual Improvements 2010-2012 Cycle (short-term receivables and payables) (amendments to basis for conclusions only)

IFRS 13 Fair Value Measurement -amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52) (effective 1 July 2014)

IFRS 15 Revenue from Contracts with Customers - Original issue (effective 1 January 2017)

The directors anticipate that these amendments will be applied in the the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,385,824	778,712	1,094	1,126
Bank balances	90,018,865	30,508,149	44,445,418	11,800,174
Bank overdraft	(7,225,290)	(11,906,101)	-	-
	84,179,399	**19,380,760**	**44,446,512**	**11,801,300**
Current assets	91,404,689	31,286,861	44,446,512	11,801,300
Current liabilities	(7,225,290)	(11,906,101)	-	-
	84,179,399	**19,380,760**	**44,446,512**	**11,801,300**

Group
Bank overdraft:

As at 31 March 2014, the Group had available overdraft facilities totalling USD 16.8million (2013: USD19.3million). Overdraft facilities utilised as the year end totalled USD7.2million (2013: USD11.9million). Bank overdrafts were secured over net advances and a lien over cash of USD0.8million (2013: USD1.5million). Interest rate charged varied from 11.50% to 26.50% (2013: 12.25% to 25.5%).

4. Net advances

Gross advances	1,002,628,203	348,200,346	-	-
Carrying value of written off book	16,555,753	194,910	-	-
	1,019,183,956	348,395,256	-	-
Impairment provision	(162,411,340)	(8,634,524)	-	-
	856,772,616	**339,760,732**	**-**	**-**
Gross advances				
Advances to customers	1,008,967,094	348,730,789	-	-
Deferred origination fees	(13,056,522)	(5,632,148)	-	-
Deferred origination costs	6,717,631	5,101,705	-	-
	1,002,628,203	**348,200,346**	**-**	**-**
Impairment provision				
Balance at 1 April	8,634,524	7,349,439	-	-
Additions through business combinations	147,571,944	-	-	-
Net impairment recognised in profit or loss	25,683,229	6,793,977	-	-
Utilisation of allowance for impairment	(17,139,214)	(4,750,057)	-	-
Foreign exchange differences	(2,339,143)	(758,835)	-	-
Balance at 31 March	**162,411,340**	**8,634,524**	**-**	**-**

Net advances relating to the individual subsidiaries are provided as security for the subsidiary bank overdraft and term loan balances totalling USD 448million (2013: USD 76million).

Impairment provisions are raised based on the specific risks attributable to each loan past due, measured according to ageing of the client, reason for non payment, recency of last payment received and likelihood of rehabilitation. In determining the recoverability of an advance, the Group considers any change in the credit quality of the advance from the date credit was initially granted up to the reporting date. Terms of advances range from one month to seventy two months.

The Group carries impairment provision on all advances. There are no advances past due but not impaired.

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customers, credit quality and defines credit limits by customer. There are no customers who represent more than 5% of the total balance of net advances.

Notes to the Group Annual Financial Statements (continued)

		Group		Company	
Figures in US Dollar		2014	2013	2014	2013

4. Net advances (continued)

Included in net impairment recognised in profit or loss for year ended 31 March 2013 is an amount of USD336,080 relating to discountinued operations of Cashfoundry Limited (refer to note 21).

	Group 2014	Group 2013	Company 2014	Company 2013
Non-current assets	545,701,847	247,068,592	-	-
Current assets	311,070,769	92,692,140	-	-
	856,772,616	**339,760,732**	**-**	**-**

5. Trade and other receivables

Current assets

		Group 2014	Group 2013	Company 2014	Company 2013
Trade receivables	(i)	2,787,009	-	-	-
Prepayments	(ii)	11,095,553	5,866,193	5,090,591	4,086,409
Sundry debtors	(iii)	14,137,006	2,952,204	4,425,308	81,133
Interest receivable on Cross Currency Swap		-	16,406,063	-	16,406,063
Loan receivable under share incentive scheme	(iv)	1,060,325	977,975	1,060,323	977,975
		29,079,893	**26,202,435**	**10,576,222**	**21,551,580**

The Directors consider that the carrying amount of trade and other receivables approximate their fair value. No collateral is held for trade and other receivables. Receivables are tested for impairment by reference to trade terms, payments history, subsequent receipts and arrangement with the debtors.

(i) Trade receivables which are past due but not impaired amounted to USD 0.3million at the end of the reporting period.

(ii) Prepayments include transaction costs of USD 5million (2013: USD 4million) for the bond raising to be amortised over the remaining term of the bonds.

(iii) Sundry debtors include loans to key management personnel of USD 0.4million (2013: USD 0.4million).

(iv) The loan receivable under the share incentive scheme bears interest at 13% per annum.

6. Amounts due from/to related parties

Amounts due from related parties

		Group 2014	Group 2013	Company 2014	Company 2013
Actvest (Proprietary) Limited	(i)	2,798,657	2,854,741	2,798,657	2,854,741
Actvest Limited (Mauritius)	(ii)	-	-	-	341,417
Bayport Financial Services (T) Limited	(iii)	-	-	15,064,550	23,527,405
Bayport Financial Services Ghana Limited	(iv)	-	-	16,910,225	10,516,202
Ghana Mineworkers Union	(v)	112,563	65,332	67,013	65,332
Bayport Financial Services Limited (Zambia)	(vi)	-	-	79,793,250	50,487,786
Bayport Financial Services Uganda Limited	(vii)	-	-	14,660,220	12,377,339
Bayport Holdings (South Africa) (Proprietary) Limited	(viii)	188,317	214,733	188,317	214,733
Consumer Finance Company Limited	(ix)	-	-	11,687,880	3,194,956
Bayport Fimsa S.A.S	(x)	-	-	46,652,693	24,057,425
Bayport Fimsa S.A.S	(xi)	-	-	971,914	-
Money Quest Investments (Proprietary) Limited	(xii)	-	-	29,317,287	36,017,119
Whatana Investments S.A	(xi)	8,961	8,961	8,961	8,961
Libraval S.A.S	(xi)	-	-	24,292	7,538
Bayport Financial Services Mozambique (MCB) SA	(xi)	-	-	1,275,249	697,499
Actvest Mexico SAPI de CV, SOFORM,ENR	(xi)	-	-	246,811	-
Bayport Latin America Holdings Ltd	(xi)	-	-	12,611	-
		3,108,498	**3,143,767**	**219,679,930**	**164,368,453**

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

6. Amounts due from/to related parties (continued)

Amount due to related parties

Cashfoundry Limited	-	-	347,486	707,409
Bayport Fimsa S.A.S	-	-	145,169	13,753
Actvest (Proprietary) Limited	1,913,103	171,899	220,993	-
Actvest Limited (Mauritius)	-	-	1,828	-
	1,913,103	**171,899**	**715,476**	**721,162**

(i) The outstanding balance is unsecured, interest free and repayable in full by 31 March 2015 with minimum annual repayments of USD 250,000.

(ii) The amount was repaid in April 2013.

(iii) The loan is unsecured and bears interest at 20% per annum. The loan is repayable at the earlier of April 2016 and the date on which BML terminates the facility. An amount of up to USD 10 million of the loan is subordinated in favor of Standard Chartered Bank Tanzania Limited and Sanlam Capital markets.

(iv) The loan is unsecured and bears interest at 12% plus USD libor per annum. The loan is repayable by September 2018.

(v) The loan is secured by a pledge of shares that the Union holds in Bayport Financial Services Ghana Limited. Interest is charged at the US Treasury Bill rate plus 3%.

(vi) The loan is unsecured and bears interest between 13.80% to 24.35% per annum. An amount of up to USD 42.8million of the loan is denominated in Zambian Kwacha and repayable by November 2017. The balance denominated in USD has no fixed repayment terms.

(vii) The loan is unsecured and bears interest between 14% to 18% per annum. The loan is repayable upon written demand by the Company. The loan includes USD 1.7M which has been subordinated to local funders in Uganda.

(viii) The loan is unsecured, interest free and is repayable within one year of the reporting date.

(ix) The loan is unsecured, bears interest at 12% plus USD libor per annum. The loan is repayable by April 2021.

(x) The loan is unsecured and bears interest between 13.70% to 15.70% per annum. The loan includes COP 30 million which has been subordinated in favour of Colpatria S.A.

(xi) The outstanding balances are unsecured, interest free and have no fixed terms of repayment.

(xii) The loan is unsecured and bears interest at 15.30% per annum. The loan is repayable at the earlier of March 2020 or on the date which the Company terminates the facility.

Amounts due from related parties				
Non-current assets	2,316,991	2,670,073	218,864,131	162,848,305
Current assets	791,507	473,694	815,799	1,520,148
	3,108,498	**3,143,767**	**219,679,930**	**164,368,453**
Amount due to related parties				
Non-current liabilities	1,197,627	171,899	-	-
Current liabilities	715,476	-	715,476	721,162
	1,913,103	**171,899**	**715,476**	**721,162**

7. Other financial assets

Derivative instruments in designated hedge accounting relationships					
Cross Currency Swap	(i)	-	21,897,451	-	21,897,451

Notes to the Group Annual Financial Statements (continued)

		Group		Company	
Figures in US Dollar		2014	2013	2014	2013

7. Other financial assets (continued)

Available-for-sale investments					
Guardrisk Limited		12,292,844	25,000	12,292,844	25,000
HBA Proprietary Limited		43,763,389	-	-	-
	(ii)	**56,056,233**	**25,000**	**12,292,844**	**25,000**
Non-current assets					
Designated instrument in designated hedge accounting technique		-	21,897,451	-	21,897,451
Available-for-sale		56,056,233	25,000	12,292,844	25,000
		56,056,233	**21,922,451**	**12,292,844**	**21,922,451**

(i) Cross Currency Swap

In April 2013, the Company unwound its cross currency swap contracts that were used to hedge the two Corporate Bonds. The Company received a total of USD 25.1 million as settlement for the unwinds. Under IAS 39, the gain of USD 25.1 million on the cross currency swaps has been netted off against the exchange loss on the Bond liabilities of USD 21.0 million. The remaining net gain of USD 4.1 million has been recognised according to IAS 39 guidelines.

Each of the Bond liabilities of SEK 700 million and their associated interest payments are now unhedged.

Cash collateral requirements:

The company pledged USD500,000 to Citibank in respect of the cross currency swap with the bank. This amount was repaid to the Company in April 2013 subsequent to the unwind of the cross currency swaps.

(ii) Available for sale investments

The Group participates in insurance activities through cell captive insurance companies, Guardrisk Limited and Hollard Business Associates Pty Ltd ("HBA"). Bayport Management Limited owns 100% of the issued share capital of the Cell created by Guardrisk Limited and Zenthyme Investments Proprietary Limited owns 100% of the Cell created by HBA.

During the year, the group adopted IFRS 13, Fair Value Measurement with respect to its investment in Guardrisk Limited.

Available for sale investments				
At 1 April	25,000	25,000	25,000	25,000
Additions through business combinations	43,938,584	-	-	-
Increase in fair value	12,267,844	-	12,267,844	-
Foreign currency translation reserve	(175,195)	-	-	-
At 31 March	**56,056,233**	**25,000**	**12,292,844**	**25,000**

Fair value is determined in accordance with the method documented in note 35.8.

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

8. Investments in subsidiaries

Company

Non-current assets

At 1 April (as previously reported)	-	-	114,987,821	84,320,785
Change in accounting policy (ii)	-	-	(76,833,632)	(60,999,511)
At 1 April (restated)	-	-	38,154,189	23,321,274
Additions	-	-	172,740,553	15,072,461
Impairment loss	-	-	-	(3,138,047)
Dividend in specie	-	-	-	2,898,501
At 31 March	**-**	**-**	**210,894,742**	**38,154,189**

Details of consolidated entities

Name of company	Country	Proportion of ownership interest 2014 Direct	2014 Indirect	2014 Total	2013 Total
Bayport Financial Services Limited	Zambia	83.23 %	- %	83.23 %	74.85 %
Bayport Fianncial Services Ghana Limited	Ghana	90.24 %	- %	90.24 %	90.24 %
Bayport Financial Services Uganda Limited	Uganda	85.00 %	- %	85.00 %	85.00 %
Bayport Fianncial Services (T) Limited	Tanzania	89.00 %	- %	89.00 %	89.00 %
Consumer Finance Company Limited	Ghana	74.00 %	- %	74.00 %	74.00 %
Money Quest Investment (Proprietary) Limited	Botswana	95.00 %	- %	95.00 %	95.00 %
Bayport Fimsa S.A.S	Colombia	83.56 %	7.65 %	91.21 %	91.21 %
Bayport Financial Services 2010 Proprietary Limited	South Africa	100.00 %	- %	100.00 %	- %
Zenthyme Investments Proprietary Limited	South Africa	100.00 %	- %	100.00 %	- %
Bayport Securitisation (RF) Limited (i)	South Africa	- %	100.00 %	100.00 %	- %
M-Stores Proprietary Limited	South Africa	- %	95.00 %	95.00 %	- %
BayMobile Proprietary Limited	South Africa	- %	100.00 %	100.00 %	- %
Bayport Financial Services Mozambique (MCB), SA	Mozambique	95.00 %	- %	95.00 %	95.00 %
Actvest Mexico SAPI De CV SOFOM ENR	Mexico	1.00 %	99.00 %	100.00 %	- %
Bayport Financial Services Rwanda SARL (Dormant)	Rwanda	100.00 %	- %	100.00 %	100.00 %
Cashfoundry Limited	United Kingdom	100.00 %	- %	100.00 %	89.00 %
Actvest Limited	Mauritius	100.00 %	- %	100.00 %	100.00 %
Bayport Latin America Holding Ltd	Mauritius	100.00 %	- %	100.00 %	100.00 %

(i) Consolidated special purpose entity.

(ii) Change in accounting policy

The Company changed its accounting policy for investments in subsidiaries from fair value basis under IAS 39 'Financial Instruments' to cost less impairment basis under IAS 27 'Separate Financial Statements' (2011), with retrospective application.

The fair value method used previously was heavily dependent on cash flow forecasts, estimates and information from comparable companies and research, which are limited. In addition, investments in subsidiaries are eliminated on consolidation and fair valuing the subsidiaries does not have any impact on the group results or statement of financial position.

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

8. Investments in subsidiaries (continued)

The effects of the change in accounting policy is shown below.

Impact on Statement of Financial Position

Investment in subsidiaries				
As previously stated at 1 April	-	-	114,987,821	84,320,785
Adjustment	-	-	(76,833,632)	(60,999,511)
As restated at 1 April	**-**	**-**	**38,154,189**	**23,321,274**

Impact on Statement of Changes in Equity

Investment in revaluation reserve				
As previously stated at 1 April	-	-	76,833,632	60,999,511
Adjustment	-	-	(76,833,632)	(60,999,511)
As restated at 1 April	**-**	**-**	**-**	**-**

Impact on Statement of Other Comprehensive Income

Net gain in investment in subsidiaries				
As previously stated at 1 April	-	-	15,834,121	13,535,728
Adjustment	-	-	(15,834,121)	(13,535,728)
As restated at 1 April	**-**	**-**	**-**	**-**

The change in accounting policy has no impact on basic and diluted earnings per share.

9. Goodwill

Group	2014			2013		
	Cost	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
Goodwill	52,745,389	(331,442)	52,413,947	4,085,588	(58,272)	4,027,316

Reconciliation of goodwill - Group - 2014

	Opening balance	**Additions through business combinations**	**Foreign exchange movements**	**Total**
Goodwill	4,027,316	48,428,915	(42,284)	52,413,947

Reconciliation of goodwill - Group - 2013

	Opening balance	**Additions through business combinations**	**Foreign exchange movements**	**Total**
Goodwill	4,027,316	-	-	4,027,316

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

9. Goodwill (continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGU's) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

Micro lending activities				
Bayport Financial Services Ghana Limited	3,014,792	2,843,430	-	-
Bayport Financial Servites (T) Limited	412,372	393,114	-	-
Money Quest Investment (Proprietary) Limited	246,468	324,249	-	-
Bayport Fimsa S.A.S	482,458	466,523	-	-
Bayport Financial Services 2010 Proprietary Limited	48,257,857	-	-	-
	52,413,947	**4,027,316**	**-**	**-**

The goodwill associated with Bayport Financial Services 2010 Proprietary Limited arose on the acquisition of the business during the financial year ended 31 March 2014 (refer to note 32). Goodwill is tested annually for impairment, or more frequently if there are indications that goodwill might be impaired. When testing goodwill for impairment, the recoverable amounts of cash generating units (CGUs) are determined as the higher of value in use and fair value less costs to sell. The recoverable amount of the cash generating units have been determined based on the best estimate of the asset's selling price less cost of disposal. The key assumption used in determining the estimated selling price less cost of disposal is based on price to book ratios of comparable companies.

No provision for impairment has been raised for the current year (2013:Nil).

10. Deferred tax

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position.

Deferred tax assets	13,355,750	4,412,218	-	-
Deferred tax liabilities	(27,964)	-	-	-
	13,327,786	**4,412,218**	**-**	**-**

Deferred tax

Accelerated capital allowances for tax purposes	(142,891)	(102,379)	-	-
Tax losses available for set off against future taxable income	5,906,308	415,135	-	-
Provision for impairment of advances	6,478,978	1,492,250	-	-
Unrealised exchange losses	5,081,318	2,607,212	-	-
Fair value of written off book	(4,519,457)	-	-	-
Fair value of financial liabilities	(1,219,694)	-	-	-
Revenue and expense recognition timing differences	1,702,963	-	-	-
Others	40,261	-	-	-
	13,327,786	**4,412,218**	**-**	**-**

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

10. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

At beginning of year	4,412,218	2,327,655	-	-
On acquisition of subsidiaires	3,957,692	-	-	-
Tax losses available for set off against future taxable income	2,388,780	415,135	-	-
Originating temporary difference on tangible fixed assets	(63,494)	2,992	-	-
Originating temporary difference on provision for impairment of advances	802,349	212,791	-	-
Originating temporary difference on revenue and expenditure	320,650	-	-	-
Fair value of written off book	(594,635)	-	-	-
Unrealised exchange losses	2,104,226	1,453,645	-	-
	13,327,786	**4,412,218**	**-**	**-**

At the reporting date, the Company has unused tax losses of USD 16,840,173 (2013: USD 13,365,945) available for offset against future profits. No deferred tax asset has been recognised due to uncertainty regarding recoverability of tax losses which are subject to a five year limitation period.

Financial year	**Losses carried forward**	**Expiry date of losses**
31 March 2010	2,398,603	31 March 2015
31 March 2011	4,447,482	31 March 2016
31 March 2012	3,141,568	31 March 2017
31 March 2014	6,852,520	31 March 2019
	16,840,173	

11. Property and equipment

Group	2014			2013		
	Cost / Valuation	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Buildings	2,165,378	(167,719)	1,997,659	2,847,972	(139,903)	2,708,069
Furniture and fittings	3,150,542	(1,929,390)	1,221,152	2,708,459	(1,756,681)	951,778
Motor vehicles	4,493,117	(2,360,619)	2,132,498	4,481,787	(2,034,156)	2,447,631
Office equipment	4,789,456	(2,690,703)	2,098,753	1,496,950	(579,056)	917,894
IT equipment	7,929,700	(5,458,169)	2,471,531	3,257,205	(2,211,350)	1,045,855
Leasehold improvements	4,327,250	(2,339,301)	1,987,949	786,222	(509,311)	276,911
Total	**26,855,443**	**(14,945,901)**	**11,909,542**	**15,578,595**	**(7,230,457)**	**8,348,138**

Company	2014			2013		
	Cost / Valuation	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Furniture and fittings	178,254	(80,992)	97,262	175,009	(42,339)	132,670
Motor vehicles	-	-	-	-	-	-
Office equipment	62,576	(52,733)	9,843	59,581	(49,814)	9,767
IT equipment	412,758	(245,459)	167,299	395,069	(141,743)	253,326
Leasehold improvements	207,667	(161,941)	45,726	200,578	(119,350)	81,228
Total	**861,255**	**(541,125)**	**320,130**	**830,237**	**(353,246)**	**476,991**

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

11. Property and equipment (continued)

Reconciliation of property and equipment - Group - 2014

	Opening balance	Additions	Additions through business combinations	Disposals	Foreign exchange movements	Depreciation	Total
Buildings	2,708,069	29,119	-	(392,947)	(292,068)	(54,514)	1,997,659
Furniture and fittings	951,778	930,429	-	(8,291)	(112,516)	(540,248)	1,221,152
Motor vehicles	2,447,631	1,223,535	64,564	(136,755)	(433,075)	(1,033,402)	2,132,498
Office equipment	917,894	326,629	1,413,676	(6,420)	(294,233)	(258,793)	2,098,753
IT equipment	1,045,855	808,366	1,330,691	(6,614)	99,124	(805,891)	2,471,531
Leasehold improvements	276,911	822,781	1,380,921	(24,451)	(97,390)	(370,823)	1,987,949
	8,348,138	**4,140,859**	**4,189,852**	**(575,478)**	**(1,130,158)**	**(3,063,671)**	**11,909,542**

Reconciliation of property and equipment - Group - 2013

	Opening balance	Additions	Additions through business combinations	Disposals	Foreign exchange movements	Depreciation	Total
Buildings	2,258,833	668,510	-	(100,633)	(67,277)	(51,364)	2,708,069
Furniture and fittings	891,451	853,489	-	(101,639)	(224,228)	(467,295)	951,778
Motor vehicles	2,102,135	1,409,515	-	(194,749)	(2,554)	(866,716)	2,447,631
Office equipment	488,057	529,336	-	(21,241)	110,907	(189,165)	917,894
IT equipment	803,704	892,151	-	(33,035)	(55,882)	(561,083)	1,045,855
Leasehold improvements	201,295	198,301	-	-	(1,429)	(121,256)	276,911
	6,745,475	**4,551,302**	**-**	**(451,297)**	**(240,463)**	**(2,256,879)**	**8,348,138**

Reconciliation of property and equipment - Company - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	132,670	8,949	(1,902)	(42,455)	97,262
Office equipment	9,767	6,804	(3,818)	(2,910)	9,843
IT equipment	253,326	28,177	(2,059)	(112,145)	167,299
Leasehold improvements	81,228	7,760	(133)	(43,129)	45,726
	476,991	**51,690**	**(7,912)**	**(200,639)**	**320,130**

Reconciliation of property and equipment - Company - 2013

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	168,511	91,987	(101,632)	(26,196)	132,670
Office equipment	30,474	10,615	(20,946)	(10,376)	9,767
IT equipment	69,704	289,157	(27,749)	(77,786)	253,326
Leasehold improvements	121,342	-	-	(40,114)	81,228
	390,031	**391,759**	**(150,327)**	**(154,472)**	**476,991**

Pledged as security - Group

Land and buildings have been pledged in favour of Barclays Zambia of USD 359,700 (2013: USD 1,530,130) due at the reporting date.

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

11. Property and equipment (continued)

Assets subject to finance lease (Net carrying amount)

Motor vehicles	788,782	1,389,995	-	-
Office equipment	25,959	49,156	-	-
	814,741	**1,439,151**	**-**	**-**

12. Intangible assets

Non- current assets

Group	2014			2013		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Computer software	7,882,117	(6,393,128)	1,488,989	979,822	(576,411)	403,411
Web trading system	2,321,206	(2,321,206)	-	-	-	-
Total	**10,203,323**	**(8,714,334)**	**1,488,989**	**979,822**	**(576,411)**	**403,411**

Company	2014			2013		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Computer software	595,123	(453,760)	141,363	582,428	(282,882)	299,546

Reconciliation of intangible assets - Group - 2014

	Opening balance	**Additions**	**Additions through business combinations**	**Disposals**	**Foreign exchange movements**	**Amortisation**	**Total**
Computer software	403,411	461,568	1,230,434	-	(129,819)	(476,605)	1,488,989

Reconciliation of intangible assets - Group - 2013

	Opening balance	**Additions**	**Additions through business combinations**	**Disposals**	**Foreign exchange movements**	**Amortisation**	**Total**
Computer software	394,534	932,630	-	(539,073)	(3,217)	(381,463)	403,411

Reconciliation of intangible assets - Company - 2014

	Opening balance	**Additions**	**Disposals**	**Foreign exchange movements**	**Amortisation**	**Total**
Computer software	299,546	12,699	-	-	(170,882)	141,363

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Group 2014	Group 2013	Company 2014	Company 2013

12. Intangible assets (continued)

Reconciliation of intangible assets - Company - 2013

	Opening balance	Additions	Disposals	Foreign exchange movements	Amortisation	Total
Computer software	103,130	845,347	(539,073)	-	(109,858)	299,546

13. Inventories

	Group 2014	Group 2013	Company 2014	Company 2013
Merchandise	2,482,630	-	-	-
Prepaid airtime	2,015,502	-	-	-
Inventories at cost	4,498,132	-	-	-
Impairment provision	(179,730)	-	-	-
Inventories at net realisable value	**4,318,402**	-	-	-

There were no inventories write down during the reporting period.

The carrying values of each inventory category have been tested for impairment against net realisable value.

14. Stated capital

Issued and fully paid ordinary shares of $0.001 each at par value

	Group 2014	Group 2013	Company 2014	Company 2013
Share capital	24,227	16,282	24,227	16,282
Share premium	151,391,453	10,574,227	151,391,453	10,574,227
	151,415,680	**10,590,509**	**151,415,680**	**10,590,509**

	Number of shares	Share capital	Share premium	Total Stated capital
Balance at 1 April 2013	16,282,323	16,282	10,574,227	10,590,509
Issue of shares	7,944,449	7,945	140,817,226	140,825,171
Balance at 31 March 2014	**24,226,772**	**24,227**	**151,391,453**	**151,415,680**

The company's shareholding for the year was as shown below:

List of shareholders

		Percentage holding 2014	Percentage holding 2013
Mr Grant Kurland	Director	11.82	23.54
Mr Stuart Stone	Director	10.66	21.04
Elsworthy Holdings Ltd		4.45	6.61
Kinnevik New Ventures		30.68	45.64
Takwa Holco Ltd		23.20	-
Groundsel Investment Ltd		6.26	-
Darrow International Services Ltd		10.71	-
Others		2.22	3.17
		100	**100**

Mr Jonathan Jawno and Mr Michael Mendelowitz, who are directors of the Company, are beneficiaries of Elsworthy Holdings Ltd and Darrow International Services Limited respectively.

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

15. Equity settled reserve

Balance at 1 April	20,036	-	20,036	-
Recognised on share based incentive scheme	220,660	20,036	220,660	20,036
Balance at 31 March	**240,696**	**20,036**	**240,696**	**20,036**

The company operates a share incentive scheme for senior executives of the Group. Under the scheme, the senior executives were entitled to:

(a) purchase shares in the Company at market price for cash;
(b) purchase shares in the Company at market price through a loan from the Company. The loan bears interest at a rate of 13%;
(c) an award of shares for no consideration at different vesting dates subject to the satisfaction of specified performance targets.

Details of purchased and funded shares during the year are as follows:

	2014		2013	
	No. of shares	Consideration/ Loan provided USD	No. of shares	Consideration/ Loan provided USD
Purchased	9,324	99,953	57,344	614,728
Funded	9,324	99,953	89,979	964,575
	18,648	**199,906**	**147,323**	**1,579,303**

	Vesting in financial year ending				
2014	**Mar-15**	**Mar-16**	**Mar-17**	**Mar-18**	**Mar-19**
Details of gifted shares					
Maximum number of ordinary shares	28,105	24,439	48,136	26,884	26,886

	Vesting in financial year ending				
2013	**Mar-15**	**Mar-16**	**Mar-17**	**Mar-18**	**Mar-19**
Details of gifted shares					
Maximum number of ordinary shares	-	-	23,776	23,778	23,778

16. Other reserves

Investment revaluation reserve	(i)	12,267,844	-	12,267,844	-
Regulatory and statutory reserves	(ii)	16,255,494	12,799,053	-	-
		28,523,338	**12,799,053**	**12,267,844**	-

(i) **Investment revaluation reserve**

The investment revaluation reserve represents the cumulative gains arising on the revaluation of available for sale investments that have been recognised in other comprehensive income (refer to note 7).

(ii) **Regulatory and Statutory reserves**

Regulatory credit risk reserves and general reserves relate to impairment provisions on the loan book in excess of what is required per International Financial Reporting Standards compared to Zambian and Ghanaian regulations. Statutory reserves relate to Bank of Ghana's requirements to maintain a minimum capital adequacy ratio.

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Group 2014	Group 2013	Company 2014	Company 2013

16. Other reserves (continued)

Group	2014			2013		
	Attributable to owners of the company	Attributable to Non-controllings interests	Total	Attributable to owners of the company	Attributable to Non-controllings interests	Total
Statutory reserves (Ghana)	4,533,692	490,346	5,024,038	5,344,364	578,025	5,922,389
Regulatory credit risk reserve (Ghana)	7,015,160	758,732	7,773,892	3,805,287	411,565	4,216,852
General reserves (Zambia)	3,329,785	670,918	4,000,703	1,851,400	622,080	2,473,480
Statutory reserve (CFC)	689,810	242,366	932,176	965,479	339,223	1,304,702
Regulatory credit risk reserve (CFC)	687,047	241,395	928,442	832,523	292,508	1,125,031
Total	**16,255,494**	**2,403,757**	**18,659,251**	**12,799,053**	**2,243,401**	**15,042,454**

17. Finance lease obligation

	Group 2014	Group 2013	Company 2014	Company 2013
Minimum lease payments due				
- within one year	480,342	886,183	-	-
- in second to fifth year inclusive	227,254	680,510	-	-
	707,596	1,566,693	-	-
Less: future finance charges	(77,050)	(207,132)	-	-
Present value of minimum lease payments	**630,546**	**1,359,561**	**-**	**-**
Present value of minimum lease payments due				
Current liabilities	419,596	711,945	-	-
Non-current liabilities	210,950	647,616	-	-
	630,546	**1,359,561**	**-**	**-**

Finance leases relate to motor vehicles and office equipment with lease terms up to 60 months. The group has options to purchase the assets for a nominal amount at the conclusion of the lease agreement.

The interest rates on the finance leases range from 11% to 22%. The fair value of the finance lease liabilities is approximately equal to their carrying amounts. The group's obligations under finance leases are secured by the lessor's charge over the leased assets (refer to note 11).

18. Trade and other payables

	Group 2014	Group 2013	Company 2014	Company 2013
Sundry creditors and accruals	24,443,073	8,846,333	6,273,178	577,668
Bond interest payable	22,739,951	16,406,063	22,739,951	16,406,063
Interest payable on cross currency swap	-	13,938,503	-	13,938,503
Withholding tax payable	1,405,132	755,640	-	-
	48,588,156	**39,946,539**	**29,013,129**	**30,922,234**

19. Provisions

Current liabilities

Reconciliation of provisions - Group - 2014

	Opening balance	Additions through business combinations	Additions	Utilised during the year	Foreign differences on translation	Total
Payroll related provisions	3,689,359	(337,109)	5,073,248	(4,949,246)	(276,844)	3,199,408

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Group 2014	Group 2013	Company 2014	Company 2013

19. Provisions (continued)

Reconciliation of provisions - Group - 2013

	Opening balance	Additions through business combinations	Additions	Utilised during the year	Foreign differences on translation	Total
Payroll related provisions	3,215,141	-	5,230,078	(4,650,646)	(105,214)	3,689,359

Reconciliation of provisions - Company - 2014

	Opening balance	Additions through business combinations	Additions	Utilised during the year	Foreign differences on translation	Total
Payroll related provisions	1,492,835	-	1,144,623	(1,865,231)	-	772,227

Reconciliation of provisions - Company - 2013

	Opening balance	Additions through business combinations	Additions	Utilised during the year	Foreign differences on translation	Total
Payroll related provisions	1,618,798	-	1,575,797	(1,701,760)	-	1,492,835

20. Borrowings

		Group 2014	Group 2013	Company 2014	Company 2013
Held at amortised cost					
Corporate Bonds	(i)	316,826,595	215,318,363	316,826,595	215,318,363
Other term loans	(ii)	147,980,776	72,500,201	13,233,590	13,233,590
Loan notes	(iii)	365,218,600	-	-	-
		830,025,971	**287,818,564**	**330,060,185**	**228,551,953**

(i) **Corporate Bonds**
In September 2013, the Company issued a second 5 year Corporate Bond with a nominal amount of SEK 600,000,000 at a premium of SEK 7,775,608. The Bonds bear an interest coupon of 13%, payable annually on the anniversary date and are due to be redeemed on 12 June 2017. The terms of the Bonds require that certain financial covenants are met. The Corporate Bonds are listed on Nasdaq OMX Stockholm AB.

(ii) **Other term loans**
Other term loans include funding received by the Group from local banks and financial institutions.

They vary from 1 year to 7.5 years and interest rates vary from 8% to 26%.

(iii) **Loan notes**
The loan notes are issued by Bayport Securitisation (RF) Limited ("BSL"). BSL is considered as a special purpose entity under IFRS and is consolidated into the Group's results.

Other term loans and loan notes include borrowings of USD 443.7million (2013: USD 64.6million) outstanding at the end of reporting date were secured over net advances of the group. Other securities held by funders are as follows:
(a) Subordination of preference shares of Bayport Financial Services Uganda Limited for UGX 5,773,660,600 (USD 23million)
(b) Subordination of loan from Bayport Management Limited to subsidiaries of USD1.5million.
(c) Corporate guarantee from Bayport Management Limited of UGX 3,825,600,000 (USD 1.5million) (2013: USD 12.6million)
(d) Lien over cash of TZS 900,000,000 (USD 0.6million)

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

20. Borrowings (continued)

Non-current liabilities				
At amortised cost	678,169,101	251,222,885	330,060,185	228,551,953
Current liabilities				
At amortised cost	151,856,870	36,595,679	-	-
	830,025,971	**287,818,564**	**330,060,185**	**228,551,953**
Remaining term of maturity				
On demand or within period not exceeding one year	151,856,870	36,595,679	-	-
Within a period of more than one year but not exceeding two years	235,582,217	15,126,462	108,146,524	-
Within a period of more than two years but not exceeding five years	428,344,440	236,096,423	221,913,661	228,551,953
In more than five years	14,242,444	-	-	-
	830,025,971	**287,818,564**	**330,060,185**	**228,551,953**

21. Discontinued operations

2013

In December 2012, Cashfoundry Limited ceased providing unsecured short-term personal loans.

Analysis of loss for the year from discontinued operations

Interest income	-	230,450	-	-
Interest expense	-	-	-	-
Net interest income	-	**230,450**	-	-
Other income	-	66,894	-	-
Operating income	-	**297,344**	-	-
Operating expenses	-	(1,885,454)	-	-
Impairment of loans and advances	-	(336,080)	-	-
Loss before tax	-	(1,924,190)	-	-
Loss for the year from discontinued operations	-	**(1,924,190)**	-	-

Cash flows from discontinued operations

Net cash outflows from operating activities	-	(1,956,852)	-	-
Net cash outflows from investing activities	-	(38,563)	-	-
Net cash outflows	-	**(1,995,415)**	-	-

22. Interest income

Advances	185,671,851	134,477,630	-	-
Intercompany loans	-	-	30,387,536	19,478,548
	185,671,851	**134,477,630**	**30,387,536**	**19,478,548**

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

23. Interest expense

Interest on bank overdraft and loans	25,942,623	12,807,270	954,949	284,440
Interest on Corporate bonds and promissory notes	33,348,666	23,049,656	33,348,666	23,049,656
Interest on shareholders loans	-	14,285	-	-
	59,291,289	**35,871,211**	**34,303,615**	**23,334,096**

24. Fees and commission income

Administration fees	7,543,549	3,766,479	-	-
Monthly service fees	2,612,190	-	-	-
Commission income	4,585,465	1,924,031	-	-
	14,741,204	**5,690,510**	**-**	**-**

25. (Profit)/loss from continuing operations

(Profit)/loss from continuing operations for the year is stated after (crediting)/charging for the following:

Operating lease charges	3,025,059	2,077,272	170,404	252,184
Cost of inventories expensed	3,865,955	10,480	-	-
Depreciation on property and equipment and intangible assets	3,540,276	2,420,607	371,521	264,330
Employee costs	19,813,621	12,572,408	920,158	1,000,090
Foreign exchange (gain)/ loss	(3,788,982)	288,405	(1,362,461)	(753,067)
Impairment loss on investments	-	-	-	3,138,047
(Profit)/loss on sale of property and equipment and intangible assets	(161,235)	(99,951)	2,435	(14,656)
Impairment of loans and advances	25,683,229	6,457,897	-	-

26. Taxation

Major components of the tax expense

Current				
Foreign tax	13,724,610	14,004,687	-	-
Withholding tax	4,306,613	3,255,574	4,306,613	3,085,413
	18,031,223	**17,260,261**	**4,306,613**	**3,085,413**
Deferred				
Current year	4,297	(336,910)	-	-
	18,035,520	**16,923,351**	**4,306,613**	**3,085,413**

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

26. Taxation (continued)

Reconciliation of the tax expense

Profit/(loss) before taxation	47,324,900	43,137,621	(2,956,198)	1,626,957
Tax at the applicable tax rate of 3% (2013: 3%)	1,419,747	1,294,129	-	-
Tax effect of adjustments on taxable income				
Tax effect of expenses that are not deductible in determining taxable profit	673,938	352,739	-	-
Effect of different taxes of subsidiaries operating in other jurisdictions	13,065,576	12,160,753	-	-
Tax effect of withholding tax	4,306,613	3,255,574	4,306,613	3,085,413
Exempt income	(1,456,260)	-	-	-
Adjustment prior year	13,589	(46,927)	-	-
Unutilised tax losses	12,317	-	-	-
Foreign tax credit	-	(92,917)	-	-
	18,035,520	**16,923,351**	**4,306,613**	**3,085,413**
Effective tax rate	38%	39%	-	-

27. Earnings per share

Basic earnings per share

From continuing operations	1.46	1.40
From discontinued operations	-	(0.12)
Total basic earnings per share	**1.46**	**1.28**

The earnings and weighted average number of shares used in the calculation of basic earnings per share are as follows:

Profit attributable to owners of the company	26,400,461	20,306,112
Loss for the year used in the calculation of basic earnings per share from discontinued operations	-	1,924,190
Earnings used in the calculation of basic earnings per share from continuing operations	**26,400,461**	**22,230,302**
Weighted average number of shares for the purpose of basic earnings per share	**18,080,928**	**15,824,317**

Diluted earnings per share

From continuing operations	1.46	1.38
From discontinued operations	-	(0.12)
	1.46	**1.26**

The earnings and weighted average number of shares used in the calculation of diluted earnings per share are as follows:

Earnings used in the calculation of diluted earnings per share	26,400,461	20,306,112
Loss for the year used in the calculation of diluted earnings per share from discontinued operations	-	1,924,190
Earnings used in the calculation of diluted earnings per share from continuing operations	**26,400,461**	**22,230,302**

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

27. Earnings per share (continued)

The weighted average number of shares for the purpose of diluted earnings per share reconciles to the weighted average number of shares used in the calculation of basic earnings per share as follows:

Weighted average number of shares used in the calculation of basic earnings per share	18,080,928	15,824,317		
Share deemed to be of no consideration in respect of:				
- Warrant shares	-	265,396		
- Share incentive schemes	31,872	58		
Earnings used in the calculation of diluted earnings per share from continued operations	**18,112,800**	**16,089,771**		

28. Cash (used in)/generated from operations

Profit/(loss) for the year	29,289,380	24,290,080	(7,262,811)	(4,596,503)
Income tax expense recognised in profit or loss	18,035,520	16,923,351	4,306,613	3,085,413
Adjustments for:				
Depreciation and amortisation	3,540,276	2,638,342	371,521	264,330
(Profit)/loss on sale of property, equipment and intangible assets	(161,235)	(97,768)	2,435	(14,656)
Foreign currency (gain)/loss	(5,236,920)	76,903	(2,538,842)	(226,859)
Finance costs	59,291,289	35,871,211	34,303,615	23,334,096
Dividends receivable	(9,475,175)	(1,868,071)	(5,509,371)	(5,866,572)
Increase in provision for credit impairment	8,544,015	2,043,920	-	-
Impairment loss	-	-	-	3,138,047
Loss on disposal of loan book	-	21,178	-	-
Expense recognised in respect of share based payments	220,659	20,036	220,659	20,036
Changes in working capital:				
Decrease in inventories	2,817,118	18,254	-	-
Increase in trade and other receivables	(8,952,405)	(2,679,208)	(4,971,100)	(1,256,473)
Increase in gross advances	(145,211,771)	(128,213,631)	-	-
Increase in trade and other payables	4,864,901	6,454,138	871,567	2,044,696
Net increase in loan receivable under share incentive scheme	(82,350)	(977,974)	(82,350)	(977,974)
	(42,516,698)	**(45,479,239)**	**19,711,936**	**18,947,581**

29. Other income

Management fees	-	-	1,110,545	3,218,571
Professional fees	122,714	292,896	844,900	2,249,833
Profit/(loss) on sale of property, equipment and intangibles	161,235	99,951	(2,435)	14,656
Income from money transfer- Zambia	282,626	575,053	-	-
Other interest income	875,055	301,778	225,144	193,744
Sundry income	1,744,534	3,021,707	4,609	1,649
Gross margin on retail business (i)	1,371,605	-	-	-
	4,557,769	**4,291,385**	**2,182,763**	**5,678,453**

(i) Gross margin on retail business				
Revenue	5,258,990	-	-	-
Cost of sales	(3,887,385)	-	-	-
Gross margin	**1,371,605**	**-**	**-**	**-**

30. Exchange differences

Arising on translating foreign operations	22,532,332	6,719,695	-	-
Arising on translating loan to subsidiaries	17,830,420	5,414,055	-	-
	40,362,752	**12,133,750**	-	-

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

31. Current tax (assets)/liabilities

Current tax liabilities	8,626,306	1,401,349	-	-
Current tax assets	(3,535,338)	-	-	-
	5,090,968	**1,401,349**	**-**	**-**
Balance at beginning of the year	1,401,349	4,641,575	-	-
Current tax for the year recognised in profit or loss	18,031,223	17,260,261	4,306,613	3,085,413
On acquisition of subsidiaries	4,580,974	-	-	-
Foreign exchange difference	133,160	(175,376)	-	-
Tax paid	(19,055,738)	(20,325,111)	(4,306,613)	(3,085,413)
	5,090,968	**1,401,349**	**-**	**-**

32. Business combinations

Acquisition of subsidiaries

In January 2014, the Company acquired 100% of the voting share capital of Bayport Financial Services 2010 Proprietary Limited ('BFS') and Zenthyme Investments Proprietary Limited ('Zenthyme'), two private limited companies registered in South Africa. The two companies are involved in the provision of unsecured credit, cellular handset, airtime agreements and related products.

32.1 Assets acquired and liabilities recognised at the date of acquisition

Assets	**USD**
Cash and cash equivalents	23,536,400
Net advances	432,844,452
Trade and other receivables	10,664,188
Other investments	43,938,584
Inventories	7,246,940
Current tax receivable	2,615,890
Deferred tax assets	3,957,692
Property and equipment	4,189,852
Intangible assets	1,230,434
	530,224,432
Liabilities	
Trade and other payables	8,738,586
Borrowings	408,748,577
Current tax liabilities	7,196,864
	424,684,027

32.2 Goodwill arising at acquisition

Consideration transferred	154,028,039
Less: fair value of identifiable net assets acquired	(105,540,405)
Less: non-controlling interest acquired	(58,719)
	48,428,915

As a result of the acquisition, the acquirer obtained a share of the South African micro lending market; diversified its product offering to include cellular handsets, insurance, and airtime agreements, and expect to obtain synergies through scale and shared intellectual property and skills.

32.3 Net cash outflow on acquisition of subsidiaries

Cash consideration paid in cash	154,028,039
Less: cash and cash equivalent balances acquired	(23,536,400)
	130,491,639

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

32. Business combinations (continued)

32.4 Impact on acquisition on the results of the Group

Interest income for the year includes USD 32,258,081 in respect of the acquired businesses of BFS and Zenthyme and this resulted in profit of USD 1,583,327 included in the Group's results.

Had the business combinations occured at the beginning of the financial year, the consolidated profit for the year ended 31 March 2014 would have been USD 29,698,569 and the consolidated interest income would have been USD 295,202,879.

2013

Incorporation/acquisition of subsidiaries

Bayport Financial Services Mocambique (MCB) S.A

In December 2012, the group incorporated Bayport Financial Services Mocambique (MCB) S.A, registered in the Republic of Mozambique. The Company is involved in the provision of retail financial services.

Impact of acquisition on the results of the Group
Included in the group profit for 2013 are losses of USD 886,769 attributable to Bayport Financial Services Mocambique (MCB) S.A.

Bayport Latin America Holdings Ltd ("BLAH")
On 28 March 2013, the group acquired 100% of the share capital of Bayport Latin America Holding Ltd (previously known as Invik (Mauritius) Ltd), a company registered in Mauritius. BLAH holds 7.65% of Bayport Fimsa S.A.S, bringing the total shareholding of the group into Bayport Fimsa S.A.S to 91.21 %.

	USD
Consideration	1,630,000
Share of net assets	(775,759)
Surplus consideration over net assets	**854,241**

33. Commitments

Operating leases – as lessee (expense)

Future minimum payments under non-cancellable operating leases on premises:

- Within one year	3,999,381	820,417	93,395	145,447
- In second to fifth year inclusive	8,172,716	713,585	252,850	153,023
- After five years	149,937	-	-	-
	12,322,034	**1,534,002**	**346,245**	**298,470**

34. Related parties

Relationships

Subsidiaries	Refer to note 8
Entities under common shareholding	Bayport Holdings (South Africa) (Proprietary) Limited Actvest (Proprietary) Limited
Other shareholders of subsidiaries	Ghana Mineworkers Union Whatana Investments SA Mr Justin Chola

Related party balances

Refer to note 6 for details of Amounts due to/(from) related parties.

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Group 2014	Group 2013	Company 2014	Company 2013
34. Related parties (continued)				
Transactions with shareholders of the company				
Interest receivable from loan under share incentive scheme	122,907	13,400	122,907	13,400
Transactions with entities under common shareholding				
Professional fees received				
Actvest (Proprietary) Limited	122,713	292,896	122,713	292,896
Professional fees paid				
Actvest (Proprietary) Limited	8,583,864	4,388,069	-	-
Deposit for lending software under development				
Actvest (Proprietary) Limited	2,442,971	-	-	-
Transaction with key management personnel				
Sale of assets				
Mr Justin Chola - Director/Shareholder	471,114	-	-	-
Acquisition of shares in BFS Zambia				
Mr Justin Chola - Director/Shareholder	5,361,916	-	5,361,916	-
Amount due by key management personnel	400,076	368,375	-	-
Related party transactions				
Transactions with shareholders				
Interest paid to (received from) shareholders				
Victoria Capital SAS	-	14,825	-	14,825
Ghana Mineworkers Union	(1,681)	(1,649)	(1,681)	(1,649)
	(1,681)	**13,176**	**(1,681)**	**13,176**

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation. These transactions are:

	Group 2014	Group 2013	Company 2014	Company 2013
Interest received				
Bayport Financial Services Limited (Zambia)	-	-	10,680,204	5,358,207
Bayport Financial Services Uganda Limited	-	-	1,971,226	1,493,162
Bayport Financial Services (T) Limited	-	-	3,350,826	4,170,140
Bayport Financial Services Ghana Limited	-	-	2,012,728	644,073
Money Quest Investments (Proprietary) Limited	-	-	5,221,923	4,981,246
Consumer Finance Company Limited	-	-	1,071,012	194,880
Bayport Fimsa S.A.S	-	-	5,956,710	2,623,442
Cashfoundry Limited	-	-	(16,446)	(49,597)
	-	**-**	**30,248,183**	**19,415,553**
Management fees received				
Bayport Financial Services Limited (Zambia)	**-**	**-**	**1,110,545**	**3,218,571**
Professional fees paid				
Actvest Limited (Mauritius)	-	-	-	1,085,063
Bayport Financial Services Mocambique (MCB) SA	-	-	722,187	871,874
	-	**-**	**722,187**	**1,956,937**

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	2014	2013	2014	2013

34. Related parties (continued)

Dividend received				
Bayport Fimsa S.A.S	-	-	**944,412**	-
Compensation of directors and other key management personnel				
Short term benefits	10,946,992	11,332,732	1,606,733	2,334,558
Post-employment benefits	83,033	64,708	-	-
Share-based payments	225,305	20,036	220,660	20,036
	11,255,330	**11,417,476**	**1,827,393**	**2,354,594**

Notes to the Group Annual Financial Statements (continued)

		Group		Company	
Figures in US Dollar		2014	2013	2014	2013

35. Risk management

35.1. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to investors.

The capital structure of the Group consists of equity attributable to shareholders comprising stated capital, other reserves, retained earnings and non-controlling interests and net debt which includes the borrowings disclosed in notes 17 and 20, cash and cash equivalents disclosed in note 3. The Group reviews the capital structure on a regular basis. The Group is not subject to any externally imposed capital requirements except for Bayport Financial Services Ghana where the subsidiary is required to maintain a minimum capital adequacy ratio of 10%.

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

Consistent with others in the industry, the Group monitors capital on the basis of the net debt to total capital ratio.

The net debt to total capital ratio at 2014 and 2013 respectively were as follows:

	Note	2014	2013
Total borrowings			
Finance lease obligation	17	630,546	1,359,561
Borrowings	20	830,025,971	287,818,564
		830,656,517	**289,178,125**
Less: Cash and cash equivalents	3	(84,179,399)	(19,380,760)
Net debt		746,477,118	269,797,365
Total equity		223,207,153	93,213,957
Total capital		**969,684,271**	**363,011,322**
Net debt to capital		77 %	74 %

35.2. Categories of financial instruments

	Group 2014	Group 2013	Company 2014	Company 2013
Financial assets				
Loans and receivables				
Cash and cash equivalents	91,404,689	31,286,861	44,446,512	11,801,300
Net advances	863,111,507	340,291,175	-	-
Trade and other receivables	17,984,340	20,336,242	5,485,631	17,465,171
Amount due from related parties	3,108,498	3,143,767	219,679,930	164,368,453
Available for sale investment				
Other financial assets	56,056,233	25,000	12,292,844	25,000
Derivative instruments in designated hedge accounting relationships				
Other financial assets	-	21,897,451	-	21,897,451
	1,031,665,267	**416,980,496**	**281,904,917**	**215,557,375**

	Group 2014	Group 2013	Company 2014	Company 2013
Financial liabilities				
At amortised cost				
Finance lease obligation	630,546	1,359,561	-	-
Bank overdraft	7,225,290	11,906,101	-	-
Trade and other payables	48,588,156	39,946,539	29,013,128	30,922,234
Borrowings	830,025,971	287,818,564	330,060,185	228,551,953
Amount due to related parties	1,913,103	171,899	715,476	721,162
	888,383,066	**341,202,664**	**359,788,789**	**260,195,349**

Notes to the Group Annual Financial Statements (continued)

35. Risk management (continued)

35.3. Financial risk management

The group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the group's financial performance.

The group's overall risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and manages financial risks in close co-operation with the company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments. In addition, internal audit is responsible for the independent review of risk management and the control environment. The most important type of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk and interest rate risk.

35.4. Liquidity risk

The table below analyses assets and 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.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the entity. It is unusual for financial institutions ever to be completely matched since business transacted is often uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The maturity of assets and liabilities to replace, at an acceptance cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the entity and its exposure to changes in interest rates and exchange rates.

Group

2014	**0-3 months**	**4-12 months**	**1-5 years**	**Total**
Financial assets				
Cash and cash equivalents	91,404,689	-	-	91,404,689
Net advances	267,607,241	427,486,530	1,067,879,262	1,762,973,033
Trade and other receivables	12,495,135	4,428,880	1,060,325	17,984,340
Amount due from related parties	353,190	494,908	2,271,441	3,119,539
Other financial assets	-	-	56,056,233	56,056,233
Cash flows from financial assets	**371,860,255**	**432,410,318**	**1,127,267,261**	**1,931,537,834**
Financial Liabilities				
Finance lease obligation	152,816	327,526	227,254	707,596
Bank overdraft	7,225,290	-	-	7,225,290
Trade and other payables	24,669,766	5,091	-	24,674,857
Borrowings	63,643,932	170,995,428	841,761,536	1,076,400,896
Amount due to related parties	1,913,103	-	-	1,913,103
Cash flows from financial liabilities	**97,604,907**	**171,328,045**	**841,988,790**	**1,110,921,742**
Net Liquidity gap	**274,255,348**	**261,082,273**	**285,278,471**	**820,616,092**

2013	**0-3 months**	**4-12 months**	**1- 5 years**	**Total**
Cash flows from financial assets	95,940,106	147,864,675	414,354,823	658,159,604
Cash flows from financial liabilities	(45,234,339)	(43,813,997)	(320,670,121)	(409,718,457)
Net Liquidity gap	**50,705,767**	**104,050,678**	**93,684,702**	**248,441,147**

Notes to the Group Annual Financial Statements (continued)

35. Risk management (continued)

35.4. Liquidity risk (continued)

Company

2014	**0-3 months**	**4-12 months**	**1-5 years**	**Total**
Financial assets				
Cash and cash equivalents	44,446,512	-	-	44,446,512
Trade and other receivables	-	4,425,306	1,060,325	5,485,631
Amount due from related parties	48,860,235	90,168,636	116,167,520	255,196,391
Other financial assets	-	-	12,292,844	12,292,844
Cash flows from financial assets	**93,306,747**	**94,593,942**	**129,520,689**	**317,421,378**
Financial liabilities				
Trade and other payables	5,099,829	-	-	5,099,829
Borrowings	22,728,794	14,059,048	419,869,833	456,657,675
Amount due to related parties	715,476	-	-	715,476
Cash flows from financial liabilities	**28,544,099**	**14,059,048**	**419,869,833**	**462,472,980**
Net liquidity gap	**64,762,648**	**80,534,894**	**(290,349,144)**	**(145,051,602)**

2013	**0-3 months**	**4-12 months**	**1-5 years**	**Total**
Cash flows from financial assets	43,851,786	70,639,854	130,354,550	244,846,190
Cash flows from financial liabilities	(12,900,240)	(12,010,204)	(291,286,137)	(316,196,581)
Net Liquidity gap	**30,951,546**	**58,629,650**	**(160,931,587)**	**(71,350,391)**

35.5. Interest rate risk

The objective of the entity's interest rate risk management process is to manage and control interest rate exposure in order to optimise return on risk while maintaining a market profile consistent with the entity's mission.

Interest rate risk is the risk that movements in interest rates will reduce the entity's income or capital.
A principal part of the entity's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). The entity aims, through its management of interest rate risk, to mitigate the impact of prospective interest rate movements which could reduce future earnings and capital.

Sensitivity analysis - Increase/decrease of 10 % in net interest margin

The interest rate risks sensitivity analysis is based on the following assumptions.

- Changes in the market interest rates affect the interest income or expenses of variable financial instrument

- Changes in the market interest rates only affect interest income or expenses in relation to financial instruments with fixed interest rates if these are recognised at their fair values

- The interest rate changes will have an effect on interest sensitive assets and liabilities and hence simulation modelling is applied to financial instruments which are quoted at variable interest rates

- The projections make other assumptions including that all positions run to maturity.

The table below sets out the impact on current profit after taxation and equity of an incremental 10% parallel fall or rise on all yield curves at the beginning of the current financial year beginning on 01 April 2013.

Notes to the Group Annual Financial Statements (continued)

35. Risk management (continued)

35.5. Interest rate risk (continued)

Group

31 March 2014	Amount	Scenario 1 Effect after 10% increase in variable interest rates	Scenario 2 Effect after 10% decrease in variable interest rates
Profit after tax	29,289,380	28,321,168	30,257,592
Equity	223,207,153	222,238,941	224,175,365

31 March 2013	Amount	Scenario 1 Effect after 10% increase in variable interest rates	Scenario 2 Effect after 10% decrease in variable interest rates
Proft after tax	24,290,080	23,469,626	25,110,534
Equity	93,213,957	92,393,503	94,034,411

Assuming no management actions an increase in interest rates would decrease the group's profit after tax for the year by USD 968,212 (2013: USD 820,454) and equity by USD 968,212 (2013: USD 820,454), while a fall would increase profit after tax and equity by the same amounts.

Company

31 March 2014	Amount	Scenario 1 Effect after 10% increase in variable interest rates	Scenario 2 Effect after 10% decrease in variable interest rates
Loss after tax	(7,262,811)	(7,262,811)	(7,262,811)
Equity	137,790,726	137,790,726	137,790,726

31 March 2013	Amount	Scenario 1 Effect after 10% increase in variable interest rates	Scenario 2 Effect after 10% decrease in variable interest rates
Loss after tax	(4,596,503)	(4,596,503)	(4,596,503)
Equity	(3,113,674)	(3,113,674)	(3,113,674)

Assuming no management actions an increase or decrease in interest rates would have no impact in the company's loss after tax for the year and equity as the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

35.6. Credit risk

The Group takes on exposure to credit risk, which is the risk that a counter party will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the reporting date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the entity's portfolio, could result in losses that are different from those provided for at the reporting date. Management, therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and to geographical and industry segments.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Notes to the Group Annual Financial Statements (continued)

35. Risk management (continued)

35.7. Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Consequently the group is exposed to the risk that the carrying amounts of these foreign currency denominated assets and liabilities may change due to fluctuations in foreign exchange rates.

The group and company has financial assets and financial liabilities denominated in various foreign currencies. Consequently the group and the company are exposed to the risk that the carrying amounts of these foreign currency denominated assets and liabilities may change due to fluctuations in foreign exchange rates.

The currency profile of the financial assets and financial liabilities is summarised as follows:

	2014		2013	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
Group				
Currency				
South African Rand	531,506,639	420,893,121	214,733	171,899
Zambian Kwacha	148,925,192	27,255,225	114,700,678	25,036,871
Ghanaian Cedi	81,571,881	19,356,706	86,846,465	28,213,117
Uganda Shilling	32,599,068	7,463,729	24,069,608	4,882,115
Tanzanian Shilling	48,313,325	11,426,421	46,622,331	8,564,981
United States Dollar	61,318,504	22,384,131	58,717,853	261,563,284
Colombian Peso	86,489,809	27,201,770	49,410,288	10,239,732
Botswana Pula	36,965,868	10,001,681	36,209,481	1,514,400
Swedish Krona	339,358	339,566,546	8,317	-
Pound Sterling	832,906	-	108,278	40,269
Mauritian Rupee	120,365	15,648	49,362	-
Mozambican Metical	2,645,525	2,812,523	23,102	975,996
Mexican Pesos	36,830	5,565	-	-
	1,031,665,270	**888,383,066**	**416,980,496**	**341,202,664**

	2014		2013	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
Company				
Currency				
South African Rand	3,274,228	220,993	214,733	-
Zambian Kwacha	42,811,136	-	-	-
United States Dollar	234,387,916	19,638,116	215,284,963	259,487,941
Colombian Peso	971,914	-	-	-
Swedish Krona	339,358	339,566,546	8,317	-
Pound Sterling	-	347,486	-	707,409
Mauritian Rupee	120,365	15,648	49,362	-
	281,904,917	**359,788,789**	**215,557,375**	**260,195,350**

The objective of the entity's foreign exchange risk management is to manage and control foreign exchange exposure in order to optimise return on risk while maintaining a market profile consistent with the entity's mission.

Foreign exchange risk is the risk that movements in foreign exchange rates will reduce the entity's income or capital.

A principal part of the entity's management of foreign exchange risk is to monitor the sensitivity of future earnings and capital to varying foreign exchange rates. The entity aims, through its management of foreign exchange risk, to mitigate the impact of foreign exchange fluctuations which could reduce future earnings and capital.

Foreign exchange risks - appreciation/depreciation of USD against other currencies by 10%

The foreign exchange risks sensitivity analysis is based on the following assumptions:

- Foreign exchange exposures represent net currency positions of all currencies other than US Dollar.

Notes to the Group Annual Financial Statements (continued)

35. Risk management (continued)

35.7. Foreign exchange risk (continued)

-The currency sensitivity analysis is based on the assumption that all net currency positions are highly effective.

- The base currencies which the entity's business are transacted is US Dollar.

The table below sets out the impact on current earnings of and incremental 10% parallel fall or rise in all foreign currencies at the beginning of the current financial year from 01 April 2013.
Assuming no management actions, a series of such rise and fall would impact the future earnings and capital as illustrated in the table below.

Group

31 March 2014	**Amount**	**Scenario 1 Effect after 10% appreciation in USD**	**Scenario 2 Effect after 10% depreciation in USD**
Profit after tax	29,289,380	54,906,669	3,672,091
Equity	223,207,153	223,861,869	222,552,437

31 March 2013	**Amount**	**Scenario 1 Effect after 10% appreciation in USD**	**Scenario 2 Effect after 10% depreciation in USD**
Profit after tax	24,290,080	21,336,350	27,243,810
Equity	93,213,957	80,169,759	106,258,155

Assuming no management actions, an appreciation in the US Dollar would increase profit after tax for the year by USD 25,617,289 (2013: a decrease of USD 2,953,730) and equity by USD 654,716 (2013: a decrease of USD 13,044,198), while a depreciation would decrease 2014 (increase 2013) profit after tax and equity by the same amounts.

Company	**Amount**	**Scenario 1 Effect after 10% appreciation in USD**	**Scenario 2 Effect after 10% depreciation in USD**
31 March 2014			
Loss after tax	(7,262,811)	22,000,556	(36,526,178)
Equity	137,790,726	167,054,093	108,527,359

31 March 2013	**Amount**	**Scenario 1 Effect after 10% appreciation in USD**	**Scenario 2 Effect after 10% depreciation in USD**
Loss after tax	(4,596,503)	(4,553,003)	(4,640,003)
Equity	(3,113,674)	(3,070,174)	(3,157,174)

Assuming no management actions, an appreciation in the US Dollar would decrease loss after tax for the year by USD 29,263,367 (2013: USD 43,500) and increase equity by USD 29,263,367 (2013: USD 43,500), while a depreciation would increase loss after tax and equity by the same amounts.

Notes to the Group Annual Financial Statements (continued)

35. Risk management (continued)

35.8. Fair value of financial instruments

The Group's and the Company's available for sale investments (refer to note 7) are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value		Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2014	31 March 2013				
Investment in Guardrisk Ltd (i)	12,292,844	25,000	Level 3	Discounted cash flow	Collection rates	The higher the collection rates, the higher the fair value
					Exchange rate	An appreciation in USD will reduce the fair value
					Discount rate of 8.6%	The higher the discount rate, the lower the fair value
HBA Proprietary Limited (ii) (acquisition through business combinations in 2014)	43,763,389	-	Level 3	Discounted cash flow	Collection rates	The higher the collection rates, the higher the fair value
					Discount rates of 16%	The higher the discount rate, the lower the fair value
					Future revenue growth rates into account management's experience and knowledge of the market	The higher the revenue growth rate, higher the fair value

(i) If the above unobservable inputs to the valuation model were 10% higher/(lower) while all other variables were held constant, the carrying amount of the investment for the Group and Company would increase/(decrease) by USD 1.6million.

(ii) If the above unobservable inputs to the valuation model were 10% higher/(lower) while all other variables were held constant, the carrying amount of the investment would increase/(decrease) by USD 5.4million.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other that quoted prices included within level 1 are observable for the assets or liability, either (ie. as prices) or indirectly (ie. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Except where disclosed elsewhere, the carrying value of the financial assets and liabilities approximate their fair value.

Notes to the Group Annual Financial Statements (continued)

36. Events after the reporting period

There are no significant event after the reporting period and up to the date of this report.

37. Segmental reporting

Pursuant to the management approach to segment reporting of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Group Chief Executive Officer (the Chief Operating Decision-Maker), who is responsible for allocating resources to the reportable segments and assessing performance. Excluding the holding company, which is based in Mauritius, the Group operates in five geographical regions, which makes up the reportable segments. All operating segments used by the Group meet the definition of a reportable segment under IFRS 8.

The reportable segments are made up as follows:
(a) Southern Africa: operations in South Africa, Zambia, Botswana and Mozambique
(b) West Africa: operation in Ghana
(c) East Africa: operations in Tanzania and Uganda
(d) Latin America: operations in Colombia and Mexico
(e) Europe: operation in the United Kingdom

Interest income from BFS SA, Zambia and Tanzania amounts to USD32million (2013: Nil); USD44million (2013: USD41million) and USD22million (2013: USD24million).
The client base of the group is diversified and there is no reliance on customers where revenue from transactions would exceed more than 10% of the Group's revenue.

Segmental reporting $'000 2014	**Southern Africa**	**West Africa**	**East Africa**	**Latin America**	**Europe**	**Mauritius**	**Elimi-nations**	**Group**
Income statement								
Interest income	89,852	42,299	34,720	18,800	-	30,265	(30,265)	185,671
Interest expense	(31,558)	(7,728)	(8,440)	(7,545)	-	(34,304)	30,283	(59,292)
Net interest income/(loss)	58,294	34,571	26,280	11,255	-	(4,039)	18	126,379
Fees and commission income	10,320	2,079	1,622	720	-	-	-	14,741
Dividend income	4,910	-	-	-	-	5,509	(944)	9,475
Other income	2,569	196	1,169	153	1,670	2,306	(3,503)	4,560
Impairment on loans and advances	(20,216)	(2,352)	(2,004)	(1,111)	-	-	-	(25,683)
Net operating income	55,877	34,494	27,067	11,017	1,670	3,776	(4,429)	129,472
Operating expenses	(39,488)	(17,647)	(13,145)	(9,466)	(1,545)	(8,128)	3,483	(85,936)
Foreign exchange gain/(loss)	(9,806)	(8,576)	(168)	(2,442)	-	1,362	23,419	3,789
Profit/(Loss) before taxation	6,583	8,271	13,754	(891)	125	(2,990)	22,473	47,325
Taxation								(18,036)
Profit for the year								29,289
Balance sheet								
Net advances	620,258	77,061	78,282	81,172	-	-	-	856,773
Other assets	161,992	10,809	5,902	6,386	1,089	498,342	(417,849)	266,671
Total assets	782,250	87,870	84,184	87,558	1,089	498,342	(417,849)	1,123,444
Borrowings and overdrafts	557,523	45,829	48,512	70,287	-	330,060	(214,333)	837,878
Other liabilities	22,073	4,268	3,848	4,291	110	30,517	(2,748)	62,359
Total liabilities	579,596	50,097	52,360	74,578	110	360,577	(217,081)	900,237

Notes to the Group Annual Financial Statements (continued)

37. Segmental reporting (continued)

2013	Southern Africa	West Africa	East Africa	Latin America	Europe	Mauritius	Eliminations	Group
Income statement								
Interest income	54,872	38,840	34,128	6,625	-	19,614	(19,601)	134,478
Interest expense	(14,020)	(6,586)	(8,362)	(2,988)	-	(23,334)	19,419	(35,871)
Net interest income/(loss)	40,852	32,254	25,766	3,637	-	(3,720)	(182)	98,607
Fees and commission income	2,237	1,900	1,470	83	-	-	-	5,690
Dividend income	-	-	-	-	-	5,867	(3,999)	1,868
Other income	1,151	397	729	1,537	-	5,087	(4,609)	4,292
Impairment on loans and advances	(1,529)	(1,831)	(2,483)	(615)	-	-	-	(6,458)
Net operating income	42,711	32,720	25,482	4,642	-	7,234	(8,790)	103,999
Operating expenses	(26,213)	(14,967)	(12,610)	(5,885)	-	(6,840)	5,942	(60,573)
Foreign exchange gain/(loss)	(6,466)	(752)	(985)	(244)	-	753	7,406	(288)
Profit before taxation	10,032	17,001	11,887	(1,487)	-	1,147	4,558	43,138
Taxation								(16,924)
Profit after from continuing operations								26,214
Discontinued operations					(1,924)			(1,924)
Profit for the year								24,290
Balance sheet								
Net advances	143,144	85,351	65,948	45,318	-	-	-	339,761
Other assets	16,411	5,163	10,949	3,690	842	258,527	(195,836)	99,746
Total assets	159,555	90,514	76,897	49,008	842	258,527	(195,836)	439,507
Borrowings and overdrafts	111,865	38,873	51,606	30,367	-	228,552	(160,179)	301,084
Other liabilities	3,531	4,604	2,980	2,509	41	33,079	(1,535)	45,209
Total liabilities	115,396	43,477	54,586	32,876	41	261,631	(161,714)	346,293

38. Financial summary

Group	31 March 2014 -	31 March 2013	31 March 2012
Income statement			
Net interest income	126,380,562	98,606,419	89,274,238
Profit for the year	29,289,380	24,290,080	20,978,122
Profit attributable to owners of the company	26,400,461	20,306,112	17,282,228
Statement of financial position			
Net advances	856,772,616	339,760,732	230,977,086
Other assets	266,671,281	99,746,597	57,369,364
Total assets	1,123,443,897	439,507,329	288,346,450
Total equity	223,207,153	93,213,957	69,973,374
Total liabilities	900,236,744	346,293,372	218,373,076
Total equity and liabilities	1,123,443,897	439,507,329	288,346,450