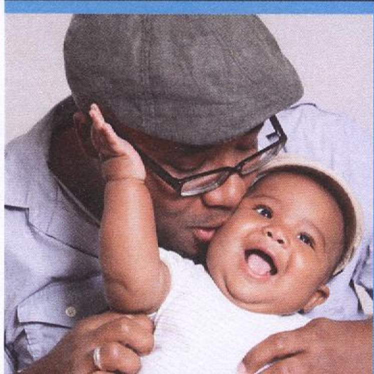
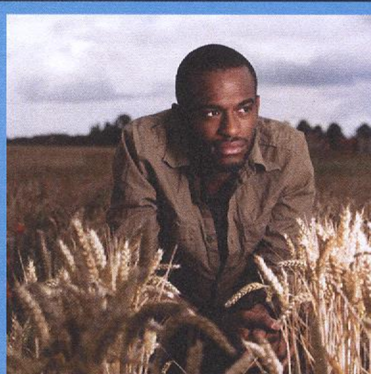
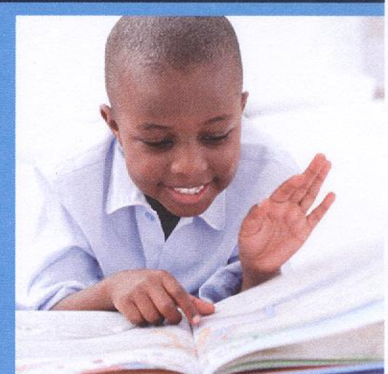
BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

GROUP ANNUAL FINANCIAL STATEMENTS

for the nine months ended 31 December 2014



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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 nine months ended 31 December 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.
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 DNB Bank ASA
Auditor	Deloitte 7th Floor, Raffles Tower 19, Cybercity Ebene Mauritius
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 period 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 December 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 58, which have been prepared on the going concern basis, were approved by the Board of Directors on 28 April 2015 and were signed on its behalf by:

Mr Eric Venpin
Director

Mr Jimmy Wong
Director

Directors' Report

The directors submit their report for the nine months ended 31 December 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. The shares of the Company are listed on the Stock Exchange of Mauritius (technical listing).

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 period or prior year.

4. Directors

The directors of the Company during the period 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	Resigned 30 July 2014
Mr Jonathan Jawno	
Mr Voria Fattahi	
Mr Souleymane Ba	
Mr Temitope Lawani	
Mr Vladimer Gurgenidze	
Mr Christopher Bischoff	
Mr Michael Mendelowitz	

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. Auditor

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

9. Change in financial year

The Company and its subsidiaries have changed financial year end from 31 March to 31 December. The financial statements are being presented for a period of nine months to 31 December 2014.

Amounts presented in the financial statements are not entirely comparable.

Directors' Report (continued)

10. Secretary

The Company secretary is DTOS Ltd of:

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

11. Restatement of prior year figures

From the date of publication of the last consolidated financial statements, the Company received new information on the fair value of net asset acquired of Bayport Financial Services 2010 (Proprietary) Limited. Goodwill, Net advances and Deferred tax assets figures have been restated accordingly in these financial statements within the scope of IFRS 3 (refer to note 32.2)

12. Interest in subsidiaries

The Company acquired 60% of Financiera Fortaleza, S.A de C.V, SOFORM, E.N.R, a private limited company registered in Mexico. The subsidiary is involved in the provision of unsecured credit.

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 Ltd

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 Ltd (the "Company) and its subsidiaries (collectively referred as the "Group")** on pages 8 to 58 which comprise the statements of financial position as at **31 December 2014** and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the period 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 58 give a true and fair view of the financial position of **the Group and the Company** as at **31 December 2014**, and of its financial performance and cash flows for the period 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

L. Y. S. K.

L. Yeung Sik Yuen, ACA
Licensed by FRC

28 April 2015

Statements of Financial Position at 31 December 2014

		Group		Company	
Figures in US Dollar	Note	31 December 2014	31 March 2014 (Restated)	31 December 2014	31 March 2014
Assets					
Cash and cash equivalents	3	65,839,650	91,404,689	24,417,798	44,446,512
Net advances	4	804,116,862	768,089,662	-	-
Trade and other receivables	5	34,143,074	29,079,893	10,151,684	10,576,222
Amounts due from related parties	6	7,055,394	3,108,498	252,446,999	219,679,930
Inventories	13	1,090,632	4,318,402	-	-
Other financial assets	7	60,512,189	56,056,233	28,182,842	12,292,844
Current tax assets	31	2,564,831	3,535,338	-	-
Investments in subsidiaries	8	-	-	224,006,114	210,894,742
Goodwill	9	110,818,432	116,225,753	-	-
Deferred tax assets	10	32,024,334	25,218,799	-	-
Property and equipment	11	12,079,908	11,909,542	185,582	320,130
Intangible assets	12	1,012,657	1,488,989	100,689	141,363
Total Assets		1,131,257,963	1,110,435,798	539,491,708	498,351,743
Equity and Liabilities					
Equity					
Share capital	14	151,665,683	151,415,680	151,665,683	151,415,680
Reserves		(77,526,398)	(36,108,488)	30,904,201	15,370,132
Retained earnings/(accumulated losses)		125,801,824	80,597,599	(53,096,987)	(28,995,086)
Equity attributable to equity holders of the company		199,941,109	195,904,791	129,472,897	137,790,726
Non-controlling interests		14,200,476	14,294,263	-	-
Total Equity		214,141,585	210,199,054	129,472,897	137,790,726
Liabilities					
Bank overdrafts	3	9,156,989	7,225,290	-	-
Trade and other payables	18	40,036,203	48,588,156	17,419,972	29,013,129
Amounts due to related parties	6	3,210,967	1,913,103	759,574	715,476
Provisions	19	7,455,513	3,199,408	3,015,185	772,227
Other financial liabilities	21	19,836,481	-	19,836,481	-
Borrowings	20	833,660,339	830,025,971	368,987,599	330,060,185
Finance lease obligation	17	976,859	630,546	-	-
Current tax liabilities	31	2,744,893	8,626,306	-	-
Deferred tax liabilities	10	38,134	27,964	-	-
Total Liabilities		917,116,378	900,236,744	410,018,811	360,561,017
Total Equity and Liabilities		1,131,257,963	1,110,435,798	539,491,708	498,351,743

The annual financial statements set out on pages 8 to 58, which have been prepared on the going concern basis, were approved and authorised for issue by the Board of Directors on 28 April 2015 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	9 months ended 31 December 2014	12 months ended 31 March 2014 (Restated)	9 months ended 31 December 2014	12 months ended 31 March 2014
Interest income	22	222,728,345	185,671,851	30,619,225	30,387,536
Interest expense	23	(80,660,738)	(59,291,289)	(31,053,579)	(34,303,615)
Net interest income/(loss)		142,067,607	126,380,562	(434,354)	(3,916,079)
Fees and commission income	24	23,980,048	14,741,204	-	-
Dividend income		15,615,808	9,475,175	1,568,839	5,509,371
Other income	29	7,469,246	4,557,769	1,905,706	2,182,763
Impairment of loans and advances	4	(75,304,628)	(25,683,229)	-	-
Net operating income		113,828,081	129,471,481	3,040,191	3,776,055
Operating expenses		(106,185,809)	(85,935,563)	(10,456,300)	(8,094,714)
Foreign exchange gain		39,671,433	3,788,982	39,667,821	1,362,461
Impairment loss on investment	8	-	-	(51,825,359)	-
Impairment of goodwill	9	-	(12,676,148)	-	-
Profit/(loss) before taxation		47,313,705	34,648,752	(19,573,647)	(2,956,198)
Taxation	26	(5,928,490)	(18,035,520)	(4,528,254)	(4,306,613)
Profit/(loss) for the period/year		41,385,215	16,613,232	(24,101,901)	(7,262,811)
Other comprehensive (loss)/income net of tax:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences	30	(47,639,047)	(40,694,703)	-	-
Effects of cash flow hedges		(811,024)	(5,146,464)	(811,024)	(5,146,464)
Net gain on fair value of available for sale investments	7	7,999,334	12,267,844	15,889,998	12,267,844
Other comprehensive (loss)/income for the period/year		(40,450,737)	(33,573,323)	15,078,974	7,121,380
Total comprehensive income/(loss) for the period/year		934,478	(16,960,091)	(9,022,927)	(141,431)
Profit/(loss) for the period/year attributable to:					
Owners of the company		42,271,164	13,724,313	(24,101,901)	(7,262,811)
Non-controlling interests		(885,949)	2,888,919	-	-
		41,385,215	16,613,232	(24,101,901)	(7,262,811)
Total comprehensive income/(loss) for the period/year attributable to:					
Owners of the company		3,331,220	(16,880,468)	(9,022,927)	(141,431)
Non-controlling interests		(2,396,742)	(79,623)	-	-
		934,478	(16,960,091)	(9,022,927)	(141,431)
Earnings per share					
From continuing operations					
Basic earnings per share	27	1.74	0.76	-	-
Diluted earnings per share	27	1.74	0.76	-	-

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	Equity 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 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	-	-	-	-	-	-	3,456,441	3,456,441	(3,456,441)	-	(160,356)	160,356	-	-
Other comprehensive loss	-	-	-	(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 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
Movement for the year	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 01 April 2014 as previously reported	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
Prior year adjustments(note 9)	-	-	-	(331,951)	-	-	-	(331,951)	(12,676,148)	(13,008,099)	-	-	-	(13,008,099)
Balance at 01 April 2014 as restated	24,227	151,391,453	151,415,680	(67,734,114)	2,861,592	240,696	28,523,338	(36,108,488)	80,597,599	195,904,791	11,890,506	2,403,757	14,294,263	210,199,054
Profit for the nine months	-	-	-	-	-	-	-	-	42,271,164	42,271,164	(885,949)	-	(885,949)	41,385,215
Transfer to reserves	-	-	-	-	-	-	(2,933,061)	(2,933,061)	2,933,061	-	253,143	(253,143)	-	-
Other comprehensive loss	-	-	-	(46,128,254)	(811,024)	-	7,999,334	(38,939,944)	-	(38,939,944)	(1,510,793)	-	(1,510,793)	(40,450,737)
Total comprehensive income for the period	-	-	-	(46,128,254)	(811,024)	-	5,066,273	(41,873,005)	45,204,225	3,331,220	(2,143,599)	(253,143)	(2,396,742)	934,478
Issue of shares	14	249,989	250,003	-	-	-	-	-	-	250,003	-	-	-	250,003
Recognition of share-based payments	-	-	-	-	-	455,095	-	455,095	-	455,095	-	-	-	455,095
Changes in ownership interests	-	-	-	-	-	-	-	-	-	-	2,302,955	-	2,302,955	2,302,955
Movement for the period	14	249,989	250,003	-	-	455,095	-	455,095	-	705,098	2,302,955	-	2,302,955	3,008,053
Balance at 31 December 2014	24,241	151,641,442	151,665,683	(113,862,368)	2,050,568	695,791	33,589,611	(77,526,398)	125,801,824	199,941,109	12,049,862	2,150,614	14,200,476	214,141,585
Note	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 2013	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 income	-	-	-	-	(5,146,464)	-	12,267,844	7,121,380	-	7,121,380	-	-	-	7,121,380
Total comprehensive loss 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
Movement for the year	7,945	140,817,226	140,825,171	-	-	220,660	-	220,660	-	141,045,831	-	-	-	141,045,831
Balance at 01 April 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
Loss for the nine months	-	-	-	-	-	-	-	-	(24,101,901)	(24,101,901)	-	-	-	(24,101,901)
Other comprehensive income	-	-	-	-	(811,024)	-	15,889,998	15,078,974	-	15,078,974	-	-	-	15,078,974
Total comprehensive loss for the period	-	-	-	-	(811,024)	-	15,889,998	15,078,974	(24,101,901)	(9,022,927)	-	-	-	(9,022,927)
Issue of shares	14	249,989	250,003	-	-	-	-	-	-	250,003	-	-	-	250,003
Recognition of share based payments	-	-	-	-	-	455,095	-	455,095	-	455,095	-	-	-	455,095
Movement for the period	14	249,989	250,003	-	-	455,095	-	455,095	-	705,098	-	-	-	705,098
Balance at 31 December 2014	24,241	151,641,442	151,665,683	-	2,050,568	695,791	28,157,842	30,904,201	(53,096,987)	129,472,897	-	-	-	129,472,897
Note	14	14	14			15	16							

Statements of Cash Flows

Figures in US Dollar	Note	Group: 9 months ended 31 December 2014	Group: 12 months ended 31 March 2014 (Restated)	Company: 9 months ended 31 December 2014	Company: 12 months ended 31 March 2014
Cash flows from operating activities					
Cash (used in)/generated from operations	28	(33,478,115)	(42,516,698)	16,829,778	19,711,936
Dividends received		17,352,215	7,410,331	4,667,582	2,410,628
Finance costs paid		(85,749,480)	(53,360,403)	(36,142,319)	(28,372,728)
Tax paid	31	(16,512,543)	(19,055,738)	(4,528,254)	(4,306,613)
Net cash used in operating activities		(118,387,923)	(107,522,508)	(19,173,213)	(10,556,777)
Cash flows from investing activities					
Purchase of property and equipment and intangibles	11&12	(4,497,119)	(4,602,427)	(35,787)	(64,389)
Proceeds on disposal of property and equipment and intangibles		570,381	746,784	-	5,477
Net cash outflow on acquisition of subsidiaries	32	(6,553,760)	(130,491,639)	-	(154,028,039)
Net increase/(decrease) in amounts due from related parties		1,946,351	1,173,000	(34,570,780)	(57,558,185)
Purchase of shares on incorporation of subsidiaries		-	-	-	(38)
Proceeds from issue of shares to non-controlling interests		38,507	-	-	-
Acquisition of non-controlling interests		-	(2,500,000)	-	(2,500,000)
Further acquisition of shares in subsidiaries		-	-	(64,936,731)	(11,670,560)
Net cash used in investing activities		(8,495,640)	(135,674,282)	(99,543,298)	(225,815,734)
Cash flows from financing activities					
Proceeds from share issues	14	250,003	140,825,171	250,003	140,825,171
Net proceeds from issue of bonds		98,437,794	103,112,552	98,437,794	103,112,552
Net increase in borrowings		4,835,540	39,554,659	-	-
Proceeds from unwinding of cross currency swaps		-	25,080,000	-	25,080,000
Net cash generated by financing activities		103,523,337	308,572,382	98,687,797	269,017,723
Net (decrease)/ increase in cash and cash equivalents		(23,360,226)	65,375,592	(20,028,714)	32,645,212
Cash and cash equivalents at the beginning of the period/year		84,179,399	19,380,760	44,446,512	11,801,300
Effect of foreign exchange rate changes		(4,136,512)	(576,953)	-	-
Total cash and cash equivalents at end of the period/ year	3	56,682,661	84,179,399	24,417,798	44,446,512

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 financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in US Dollars.

The statements 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 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 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 balances, income, expenses, equity and cash flows 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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

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 impairment 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.

Significant Accounting Policies (continued)

1.2 Significant judgements and sources of estimation uncertainty (continued)

Certain accounting policies have been identified 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.

Assets lives and residual values

Property and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed at each financial year-end and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable income will be available in the future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation, tax rates and competitive forces.

Valuation of Available-for-Sale Investments

The valuation methodology applied was a discounted cash flow of the future expected cash flows, i.e. dividends, on a rundown basis. Dividends are discounted from the point of distribution to the present time at the risk free yield curve plus a constant risk margin.

Impairment of assets

Goodwill is considered for impairment at least annually through the discounting of future expected dividend flows to shareholders and comparing these to the Net Asset Value. These dividend flows are discounted at the cost of equity.

The estimation of impairment of financial assets is inherently uncertain and depends on many factors, including general economic conditions, structural changes within the industries, regulatory specifications and governmental policy changes. Loans and receivables are stated net of identified impairments incurred but not yet identified as impairments. Financial assets are considered impaired only if there is objective evidence of impairment as a result of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets' estimated future cash flows that can be reliably measured.

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.

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.

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 with the effect of any change in estimate accounted on a prospective basis.

The depreciation charge for each period is recognised in profit or loss.

Significant Accounting Policies (continued)

1.3 Property and equipment (continued)

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 on a prospective basis:

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

An intangible asset is derecognised on diposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.5 Investments in subsidiaries

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

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

Significant Accounting Policies (continued)

1.7 Financial instruments (continued)

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.

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.

Significant Accounting Policies (continued)

1.7 Financial instruments (continued)

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.

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 uncollectible, 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 the notes to the financial statements.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item atrributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship. When the hedging instrument expires or is sold, terminated, or exercised, or when it is no longer qualified for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss that date.

Significant Accounting Policies (continued)

1.7 Financial instruments (continued)

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.

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.

Significant Accounting Policies (continued)

1.9 Leases (continued)

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. Cost of inventories are measured using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

Significant Accounting Policies (continued)

1.13 Share based payments arrangements (continued)

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.

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.

Significant Accounting Policies (continued)

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.

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 period.

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 Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 April 2014. 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 32 Financial Instruments: Presentation - amendments relating to the offsetting of assets and liabilities

IAS 36 Impairment of assets - amendments arising from recoverable amount disclosure for non-financial assets

IAS 39 Financial Instruments: Recognition and measurement - amendments for novations of derivatives

IFRS 10 Consolidated Financial Statements - amendments for investment entities

IFRS 12 Disclosure of Interests in Other Entities - amendments for investments entities

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 1 Presentation of Financial Statements - amendments resulting from the disclosure initiative (effective 1 January 2016)

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

IAS 16 Property, plant and equipment - amendment bringing bearer plants onto the scope of IAS 16 (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 19 Employee benefits - amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)

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 reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's seperate financial statements (effective 1 January 2016)

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 : amendments to permit an entity to elect to continue to apply the hedge accounting requirement in IAS 39 for a fair value 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 2018)

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)

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)

IFRS 5 Non current assets held for sale and discontinued operations - amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)

IFRS 7 Financial Instruments: Disclosures - deferral of mandatory effective date of IFRS 9 amendments to transition disclosures (effective 1 January 2015)

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 7 Financial Instruments: Disclosures - amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)

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 - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)

IFRS 10 Consolidated Financial Statements - amendments regarding the application of the consolidation exception (effective 1 January 2016)

IFRS 10 Consolidated Financial Statements - amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (effective 1 January 2016)

IFRS 12 Disclosure of Interests in Other Entities - amendments regarding the application of the consolidation exception (effective 1 January 2016)

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 effect of all other IFRSs not yet adopted is not expected to be material.

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	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	117,798	1,385,824	1,619	1,094
Bank balances	65,721,852	90,018,865	24,416,179	44,445,418
Bank overdrafts	(9,156,989)	(7,225,290)	-	-
	56,682,661	84,179,399	24,417,798	44,446,512
Current assets	65,839,650	91,404,689	24,417,798	44,446,512
Current liabilities	(9,156,989)	(7,225,290)	-	-
	56,682,661	84,179,399	24,417,798	44,446,512

Group
Bank overdrafts:

As at 31 December 2014, the Group had available overdraft facilities totalling USD 18.8million (31 March 2014: USD 16.8million). Overdraft facilities utilised at period end totalled USD 9.2million (31 March 2014: USD 7.2million). Bank overdrafts were secured over net advances and a lien over cash of USD 0.8million (31 March 2014: USD 0.8million). Interest rates charged varied from 11% to 29% (31 March 2014: 11.50% to 26.50%).

Bank balances:

As at 31 December 2014, bank balances of Bayport Securitisation (RF) Limited amounting to USD12.9million have been pledged as security (refer to note 20). Out of this amount, USD3.3 million is held as reserves in terms of the Bayport Securitisation Programme.

Company
Bank balances:
USD 15.2 million was pledged to DNB ASA bank as cash collateral on the forward contracts (refer to note 21).

4. Net advances

	31 Dec 2014	31 Mar 2014 (Restated)		
Gross advances	930,746,347	1,002,628,203	-	-
Carrying value of written off book	47,660,558	16,555,753	-	-
	978,406,905	1,019,183,956	-	-
Impairment provision	(174,290,043)	(251,094,294)	-	-
	804,116,862	768,089,662	-	-
Impairment provision				
Opening balance	251,094,294	8,634,524	-	-
Additions through business combinations	713,332	147,571,944	-	-
Net impairment recognised in profit or loss	75,304,628	25,683,229	-	-
Utilisation of allowance for impairment	(125,504,359)	(17,139,214)	-	-
Foreign exchange differences	(27,317,852)	(2,339,143)	-	-
As previously reported	174,290,043	162,411,340	-	-
Additions through business combinations - additional provision recognised under IFRS 3 (note 32.2)	-	88,997,304	-	-
Foreign exchange differences	-	(314,350)	-	-
Closing balance	174,290,043	251,094,294	-	-

Net advances relating to the individual subsidiaries are provided as security for the subsidiary's bank overdrafts and term loan balances totalling USD 406million (31 March 14: USD 448million).

Notes to the Group Annual Financial Statements (continued)

		Group		Company	
Figures in US Dollar		31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

4. Net advances (continued)

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.

During the period, a new impairment model was introduced at the South African entities level to reflect changes in the unsecured lending industry that was being experienced since the beginning of the year. The increase in the impairment of loans and advances has been treated as a measurement period adjustment under IFRS 3 (note 32.2).

Net advances

	31 Dec 2014	31 Mar 2014 (Restated)		
Non-current assets	553,091,426	494,973,384	-	-
Current assets	251,025,436	273,116,278	-	-
	804,116,862	768,089,662	-	-

5. Trade and other receivables

Current assets

Prepayments	(i)	18,331,666	11,095,553	6,360,300	5,090,591
Sundry debtors	(ii)	10,462,830	14,137,006	2,628,277	4,425,308
Loan receivable under share incentive scheme	(iii)	1,163,107	1,060,325	1,163,107	1,060,323
Trade receivables	(iv)	4,185,471	2,787,009	-	-
		34,143,074	29,079,893	10,151,684	10,576,222

The Directors consider that the carrying amount of trade and other receivables approximate their fair values. 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) Prepayments include transaction costs of USD 6million (31 March 2014: USD 5million) for the bond raising to be amortised over the remaining terms of the bonds.

(ii) Sundry debtors include loans to key management personnel of USD 0.4million (31 March 2014: USD 0.4million).

(iii) The loan receivable under the share incentive scheme carries interest at 13% per annum and repayable by September 2018.

(iv) Trade receivables which are past due but not impaired amounted to USD 1.2million (31 March 2014: USD 0.3million) at the end of the reporting period.

The ageing of amounts past due but not impaired is as follows:

60-90 days	266,964	58,919	-	-
91-120 days	422,326	42,479	-	-
more than 120 days	535,997	178,405	-	-
	1,225,287	279,803	-	-

Notes to the Group Annual Financial Statements (continued)

		Group		Company	
Figures in US Dollar		31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

6. Amounts due from/to related parties

Amounts due from related parties

Actvest (Proprietary) Limited	(i)	6,626,580	2,798,657	2,549,837	2,798,657
Actvest Limited (Mauritius)	(ii)	-	-	11,684	-
Bayport Financial Services (T) Limited	(iii)	-	-	21,271,564	15,064,550
Bayport Financial Services Ghana Limited	(iv)	-	-	17,742,072	16,910,225
Ghana Mineworkers Union	(v)	115,657	112,563	68,298	67,013
Bayport Financial Services Limited (Zambia)	(vi)	-	-	91,179,550	79,793,250
Bayport Financial Services Uganda Limited	(vii)	-	-	17,746,663	14,660,220
Bayport Holdings (South Africa) (Proprietary) Limited	(viii)	-	188,317	-	188,317
Consumer Finance Company Limited	(ix)	-	-	19,457,863	11,687,880
Bayport Fimsa S.A.S	(x)	-	-	47,867,553	46,652,693
Bayport Fimsa S.A.S	(ii)	-	-	-	971,914
Money Quest Investments (Proprietary) Limited	(xi)	-	-	22,783,914	29,317,287
Whatana Investments S.A	(ii)	8,961	8,961	8,961	8,961
Libraval S.A.S	(ii)	-	-	24,292	24,292
Bayport Financial Services Mozambique (MCB) SA	(ii)	-	-	2,073,195	1,275,249
Actvest Mexico SAPI de CV, SOFORM,ENR	(xii)	-	-	9,329,966	246,811
Bayport Latin America Holdings Ltd	(ii)	-	-	27,391	12,611
Evolutio Capital	(xiii)	304,196	-	304,196	-
		7,055,394	3,108,498	252,446,999	219,679,930

Amounts due to related parties

Cashfoundry Limited	(ii)	-	-	684,066	347,486
Bayport Fimsa S.A.S	(ii)	-	-	75,508	145,169
Actvest (Proprietary) Limited	(xiv)	2,917,986	1,913,103	-	220,993
Actvest Limited (Mauritius)	(ii)	-	-	-	1,828
Whatana Investment SA	(xv)	292,981	-	-	-
		3,210,967	1,913,103	759,574	715,476

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

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

(i) The balance includes loan of ZAR 35 million bearing interest of prime rate plus 2%, repayable by 31 March 2016. The rest of the outstanding balance is unsecured, interest free and repayable in full.

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

(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% and the loan has no fixed term of repayment.

(vi) The loan is unsecured and bears interest between 13.80% and 24.35% per annum. An amount of up to USD 72.5million of the loan is denominated in Zambian Kwacha and repayable by February 2021. The balance denominated in USD has no fixed repayment terms.

(vii) The loan is unsecured and bears interest between 14% and 18% per annum. The loan is repayable upon written demand by the Company. The loan includes USD 1.6million which has been subordinated to local funders in Uganda.

(viii) The loan was repaid during the financial period.

(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% and 15.70% per annum. The loan includes COP 40 billion and COP 98 billion which has been subordinated in favour of Colpatria S.A and Davidendia respectively. The loan is repayable by April 2022 or on the date which the Company terminates the facility.

(xi) 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.

(xii) The loan is unsecured and bears interest at 4% per annum. The loan is repayable by November 2024.

(xiii) The loan is unsecured and bears interest at 12.25% per annum. The loan is repayable by November 2017.

(xiv) The outstanding balance relates to professional fees, is unsecured, bears interest up to 11.25% per annum and is repayable on demand.

(xv) The outstanding balance is unsecured and bears interest of 12.25% per annum. The balance is repayable by November 2017.

Amounts due from related parties				
Non-current assets	4,260,939	2,316,991	248,946,110	218,864,131
Current assets	2,794,455	791,507	3,500,889	815,799
	7,055,394	3,108,498	252,446,999	219,679,930
Amounts due to related parties				
Non-current liabilities	292,981	1,197,627	-	-
Current liabilities	2,917,986	715,476	759,574	715,476
	3,210,967	1,913,103	759,574	715,476

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

7. Other financial assets

Non current assets

Available-for-sale investments				
Guardrisk Limited	28,182,842	12,292,844	28,182,842	12,292,844
HBA Proprietary Limited	32,329,347	43,763,389	-	-
	60,512,189	56,056,233	28,182,842	12,292,844

The Group participates in insurance activities through cell captive insurance companies, Guardrisk Limited and Hollard Business Associates (Proprietary) 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.

Available for sale investments				
At 1 April	56,056,233	25,000	12,292,844	25,000
Additions through business combinations (note 32.2)	-	43,938,584	-	-
Increase in fair value	7,999,334	12,267,844	15,889,998	12,267,844
Foreign currency translation reserve	(3,543,378)	(175,195)	-	-
At 31 December/ March	60,512,189	56,056,233	28,182,842	12,292,844

Fair value is determined by discounting the estimated future cash flows at a risk adjusted rate. The method used is documented in note 35.8.

8. Investments in subsidiaries

Company

Non-current assets

Cost	-	-	278,969,520	214,032,789
Accumulated Impairment	-	-	(54,963,406)	(3,138,047)
Carrying Value	-	-	224,006,114	210,894,742
Cost				
Opening balance	-	-	214,032,789	41,292,236
Additions	-	-	64,936,731	172,740,553
Closing balance	-	-	278,969,520	214,032,789
Accumulated impairment				
Opening balance	-	-	3,138,047	3,138,047
Impairment loss	-	-	51,825,359	-
Closing balance	-	-	54,963,406	3,138,047

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

8. Investments in subsidiaries (continued)

Impairment of investments of USD 51,825,359 relates to the South African operations. This is as a result of significant depreciation of the South African Rand against US Dollars and challenges faced by the unsecured lending industry in South Africa. Investments in subsidiaries, including any related impairment, at Company level are eliminated on consolidation.

The recoverable amount of the South African operations is determined based on value in use derived from the discounting of future expected dividend flows to shareholder.

Company

Details of consolidated entities

Name of company	Country	Proportion of ownership interest and voting power held by the Group 31 Dec 2014	31 Mar 2014
Bayport Financial Services Limited	Zambia	83.23 %	83.23 %
Bayport Fianncial Services Ghana Limited	Ghana	90.24 %	90.24 %
Bayport Financial Services Uganda Limited	Uganda	85.00 %	85.00 %
Bayport Fianncial Services (T) Limited	Tanzania	89.00 %	89.00 %
Consumer Finance Company Limited	Ghana	74.00 %	74.00 %
Money Quest Investment (Proprietary) Limited	Botswana	95.00 %	95.00 %
Bayport Fimsa S.A.S	Colombia	91.21 %	91.21 %
Libraval S.A.S (i)	Colombia	82.91 %	82.91 %
Bayport Financial Services 2010 (Proprietary) Limited	South Africa	100.00 %	100.00 %
Zenthyme Investments (Proprietary) Limited (ii)	South Africa	100.00 %	100.00 %
Bayport Securitisation (RF) Limited (ii),(iii)	South Africa	100.00 %	100.00 %
M-Stores Proprietary Limited (ii)	South Africa	95.00 %	95.00 %
BayMobile Proprietary Limited (ii)	South Africa	100.00 %	100.00 %
Bayport Financial Services Mozambique (MCB), SA	Mozambique	95.00 %	95.00 %
Actvest Mexico S.A.P.I De C.V SOFOM, E.N.R	Mexico	100.00 %	100.00 %
Financiera Fortaleza, S.A de C.V SOFOM, E.N.R	Mexico	60.00 %	- %
Bayport Financial Services Rwanda SARL (Dormant)	Rwanda	100.00 %	100.00 %
Cashfoundry Limited	United Kingdom	100.00 %	100.00 %
Actvest Limited	Mauritius	100.00 %	100.00 %
Bayport Latin America Holdings Ltd	Mauritius	100.00 %	100.00 %
Toriclox (Pty) Ltd (Dormant)	South Africa	100.00 %	- %
Lintpale Investments (Pty) Ltd (Dormant)	South Africa	100.00 %	- %

(i) Actvest Limited (a fully owned subsidiary of Bayport Management Limited) owns 82.91% of the ordinary shares in Libraval S.A.S.

(ii) Bayport Financial Services 2010 (Proprietary) Limited owns 95% of M-Stores Proprietary Limited, 100% of BayMobile Proprietary Limited and 100% of Preference Shares of Bayport Securitisation (RF) Limited.

(iii) Consolidated special purpose entity.

(iv) Management does not consider any subsidiary to have material non-controlling interests that require further disclosures.

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

9. Goodwill

		(Restated)		
Cost	122,966,917	129,565,294	-	-
Accumulated Impairment	(12,148,485)	(13,339,541)	-	-
Carrying value	110,818,432	116,225,753	-	-

Cost				
Opening balance	129,565,294	4,085,588	-	-
Additions through business combinations (note 32.2)	4,944,798	48,703,006	-	-
Foreign exchange movements	(11,543,175)	(43,260)	-	-
As previously reported	122,966,917	52,745,334	-	-
Additions through business combinations- additional goodwill recognised under IFRS 3 (note 32.2)	-	77,092,205	-	-
Foreign exchange movements	-	(272,245)	-	-
Closing balance	122,966,917	129,565,294	-	-

Accumulated Impairment				
Opening balance	13,339,541	58,272	-	-
Additions through business combinations (note 32.2)	-	274,091	-	-
Foreign exchange movements	(1,191,056)	(921)	-	-
As previously reported	12,148,485	331,442	-	-
Impairment losses recognised in the year	-	12,676,148	-	-
Foreign exchange movements	-	331,951	-	-
Closing balance	12,148,485	13,339,541	-	-

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	3,014,792	-	-
Bayport Financial Services (T) Limited	412,372	412,372	-	-
Money Quest Investment (Proprietary) Limited	246,468	246,468	-	-
Bayport Fimsa S.A.S	482,458	482,458	-	-
Bayport Financial Services 2010 (Proprietary) Limited	102,019,670	112,069,663	-	-
Financiera Fortaleza S.A de C.V, SOFOM E.N.R	4,642,672	-	-	-
	110,818,432	116,225,753	-	-

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 based on value in use.

The goodwill arising from the South African operation was assessed for impairment through comparing the discounting of future expected dividend flows to shareholders to the fair value of the assets and liabilities acquired. Following the review of the fair value of the assets and liabilities acquired (refer to note 32.2) and the goodwill impairment testing, an impairment of USD 12.7 million was raised retrospectively in the year ended 31 March 2014.

The other operations were assessed for impairment through the discounting of free cash flows and comparing these to the tangible net asset value of the operations. These free cash flows were discounted at the weighted average cost of capital of each of the operations. No provision for impairment was recognised for the current period for other operations (31 March 2014: Nil)

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

10. Deferred tax

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

Group	31 Dec 2014	31 Mar 2014 (Restated)	-	-
Deferred tax assets	32,024,334	25,218,799	-	-
Deferred tax liabilities	(38,134)	(27,964)	-	-
	31,986,200	25,190,835	-	-

Deferred tax

Accelerated capital allowances for tax purposes	(114,243)	(142,891)	-	-
Tax losses available for set off against future taxable income	8,568,363	5,906,308	-	-
Provision for impairment of advances	18,124,611	6,478,978	-	-
Unrealised exchange losses	5,451,391	5,081,318	-	-
Fair value of written off book	-	(4,519,457)	-	-
Fair value of financial liabilities	(1,235,615)	(1,219,694)	-	-
Revenue and expense recognition timing differences	1,065,846	1,702,963	-	-
Others	125,847	40,261	-	-
As previously reported	31,986,200	13,327,786	-	-
Additions through business combinations - additional deferred tax assets	-	11,863,049	-	-
Closing Balance	31,986,200	25,190,835	-	-

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014
10. Deferred tax (continued)				
Reconciliation of deferred tax				
At beginning of year	25,190,835	4,412,218	-	-
On acquisition of subsidiaires (note 32.2)	-	3,957,692	-	-
Tax losses available for set off against future taxable income	(8,226,466)	2,388,780	-	-
Originating temporary difference on tangible fixed assets	(1,156)	(63,494)	-	-
Originating temporary difference on provision for impairment of advances	12,956,542	802,349	-	-
Originating temporary difference on revenue and expenditure	(593,873)	320,650	-	-
Fair value of written off book	4,372,582	(594,635)	-	-
Unrealised exchange losses	(1,712,264)	2,104,226	-	-
As previously reported	31,986,200	13,327,786	-	-
Additions through business combinations - additional deferred tax assets (note 32.2)	-	11,905,099	-	-
Foreign exchange movements	-	(42,050)	-	-
Closing balance	31,986,200	25,190,835	-	-

Deferred tax assets as at 31 December 2014 include an amount of USD 19.6million relating to the South African operation as a result of additional loan impairment provision raised (refer to note 32.2). The South African operation has not recognised USD 11.8million of the deferred tax asset that was created as a function of the change in impairments. The remainder of the deferred tax asset is considered recoverable through future taxable earnings in the form of normal operating profits. The valuation of the assets is contingent on operating performance approximating the approved budget. To the extent there is a material deviation to budget, in either direction, the asset would need to be re-valued accordingly.

Company

At the reporting date, the Company has unused tax losses of USD 22,228,795 (31 Mar 14: USD 14,308,044) 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	2,523,140	31 December 2015
31 March 2011	4,447,482	31 December 2016
31 March 2012	3,141,568	31 December 2017
31 March 2013	987,952	31 December 2018
31 March 2014	3,207,902	31 December 2019
31 December 2015	7,920,751	31 December 2020
	22,228,795	

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

11. Property and equipment

Group

	31 Dec 2014			31 Mar 2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	2,074,186	(191,575)	1,882,611	2,165,378	(167,719)	1,997,659
Furniture and fittings	3,762,304	(2,221,939)	1,540,365	3,150,542	(1,929,390)	1,221,152
Motor vehicles	4,114,731	(2,217,799)	1,896,932	4,493,117	(2,360,619)	2,132,498
Office equipment	4,904,935	(2,889,143)	2,015,792	4,789,456	(2,690,703)	2,098,753
IT equipment	8,490,879	(5,971,989)	2,518,890	7,929,700	(5,458,169)	2,471,531
Leasehold improvements	4,792,535	(2,567,217)	2,225,318	4,327,250	(2,339,301)	1,987,949
Total	28,139,570	(16,059,662)	12,079,908	26,855,443	(14,945,901)	11,909,542

Reconciliation of property and equipment - Group - 31 Dec 2014

	Opening balance	Additions	Additions through business combinations	Disposals	Foreign exchange movements	Depreciation	Total
Buildings	1,997,659	-	-	-	(83,683)	(31,365)	1,882,611
Furniture and fittings	1,221,152	764,530	27,777	(4,361)	(67,286)	(401,447)	1,540,365
Motor vehicles	2,132,498	1,064,645	455	(445,375)	(207,442)	(647,849)	1,896,932
Office equipment	2,098,753	678,269	-	(3,025)	(272,524)	(485,681)	2,015,792
IT equipment	2,471,531	1,152,462	2,519	(4,363)	(160,110)	(943,149)	2,518,890
Leasehold improvements	1,987,949	1,208,635	-	(1,332)	(178,180)	(791,754)	2,225,318
	11,909,542	4,868,541	30,751	(458,456)	(969,225)	(3,301,245)	12,079,908

Reconciliation of property and equipment - Group - 31 Mar 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

Pledged as security - Group

Buildings have been pledged in favour of amount due at the reporting date to Bank of Zambia of USD 344,552 (31 Mar 2014: USD 359,700).

Assets subject to finance lease (Net carrying amount) - Group

	31 Dec 2014	31 March 2014
Motor vehicles	1,093,418	788,782
Office equipment	16,067	25,959
	1,109,485	814,741

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

11. Property and equipment (continued)

Company	31 Dec 2014			31 Mar 2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	178,254	(110,498)	67,756	178,254	(80,992)	97,262
Office equipment	69,170	(57,293)	11,877	62,576	(52,733)	9,843
IT equipment	425,277	(330,765)	94,512	412,758	(245,459)	167,299
Leasehold improvements	207,667	(196,230)	11,437	207,667	(161,941)	45,726
Total	880,368	(694,786)	185,582	861,255	(541,125)	320,130

Reconciliation of property and equipment - Company - 31 Dec 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	97,262	-	-	(29,506)	67,756
Office equipment	9,843	6,593	-	(4,559)	11,877
IT equipment	167,299	12,691	(143)	(85,335)	94,512
Leasehold improvements	45,726	-	-	(34,289)	11,437
	320,130	19,284	(143)	(153,689)	185,582

Reconciliation of property and equipment - Company - 31 Mar 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

12. Intangible assets

Non- current assets

Group	31 Dec 2014			31 Mar 2014		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	5,257,788	(4,245,131)	1,012,657	7,882,117	(6,393,128)	1,488,989
Web trading system	2,113,049	(2,113,049)	-	2,321,206	(2,321,206)	-
Total	7,370,837	(6,358,180)	1,012,657	10,203,323	(8,714,334)	1,488,989

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

12. Intangible assets (continued)

Company	31 Dec 2014			31 Mar 2014		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	611,626	(510,937)	100,689	595,123	(453,760)	141,363

Reconciliation of intangible assets - Group - 31 Dec 2014

	Opening balance	Additions	Disposals	Foreign exchange movements	Amortisation	Total
Computer software	1,488,989	314,770	(284)	(75,666)	(715,152)	1,012,657

Reconciliation of intangible assets - Group - 31 Mar 2014

	Opening balance	Additions	Additions through business combinations	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 - Company - 31 Dec 2014

	Opening balance	Additions	Amortisation	Total
Computer software	141,363	16,503	(57,177)	100,689

Reconciliation of intangible assets - Company - 31 Mar 2014

	Opening balance	Additions	Amortisation	Total
Computer software	299,546	12,699	(170,882)	141,363

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

13. Inventories

Merchandise	1,125,559	2,482,630	-	-
Prepaid airtime	71,328	2,015,502	-	-
Inventories at cost	1,196,887	4,498,132	-	-
Impairment provision	(106,255)	(179,730)	-	-
Inventories at net realisable value	1,090,632	4,318,402	-	-

Inventories write down during the reporting period was USD 0.01 million (31 March 2014: Nil).

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

14. Share capital

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

Share capital	24,241	24,227	24,241	24,227
Share premium	151,641,442	151,391,453	151,641,442	151,391,453
	151,665,683	151,415,680	151,665,683	151,415,680

Each share has equal rights on distribution of income and capital and is entitled to one vote per share.

	Number of shares	Share capital	Share premium	Total Stated capital
Balance at 1 April 2014	24,226,772	24,227	151,391,453	151,415,680
Issue of shares	14,053	14	249,989	250,003
Balance at 31 December 2014	24,240,825	24,241	151,641,442	151,665,683

The Company's shareholding for the period/year was as shown below:

List of shareholders		Percentage holding 31 Dec 2014	Percentage holding 31 Mar 2014
Mr Grant Kurland	Director	11.82	11.82
Mr Stuart Stone	Director	10.65	10.66
Elsworthy Holdings Ltd		4.44	4.45
Kinnevik New Ventures		30.66	30.68
Takwa Holco Ltd		23.19	23.20
Groundsel Investment Ltd		6.26	6.26
Darrow International Services Ltd		10.71	10.71
Others		2.27	2.22
		100	100

Mr Jonathan Jawno and Mr Michael Mendelowitz, who are directors of the Company, are contingent discretionary beneficiaries of trusts which hold an interest in Elsworthy Holdings Ltd and Darrow International Services Limited.

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

15. Equity settled reserve

Balance at 1 April	240,696	20,036	240,696	20,036
Recognised on share based incentive scheme	455,095	220,660	455,095	220,660
Balance at 31 December/ March	695,791	240,696	695,791	240,696

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% per annum;
(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 period/year are as follows:

	31 Dec 2014		31 Mar 2014	
	No. of shares	Consideration/ Loan provided USD	No. of shares	Consideration/ Loan provided USD
Purchased	14,053	250,003	9,324	99,953
Funded	-	-	9,324	99,953
	14,053	250,003	18,648	199,906

31 December 2014	Vesting in financial year ending				
	Dec -14	Dec-15	Dec-16	Dec-17	Dec-18
Details of gifted shares					
Maximum number of ordinary shares	-	24,439	48,136	26,884	26,886

31 March 2014	Vesting in financial year ending				
	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18
Details of gifted shares					
Maximum number of ordinary shares	28,105	24,439	48,136	26,884	26,886

16. Other reserves

Investment revaluation reserve	(i)	20,267,178	12,267,844	28,157,842	12,267,844
Regulatory and statutory reserves	(ii)	13,322,433	16,255,494	-	-
		33,589,611	28,523,338	28,157,842	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 31 Dec 2014	Group 31 Mar 2014	Company 31 Dec 2014	Company 31 Mar 2014

16. Other reserves (continued)

Group	31 Dec 2014 Attributable to owners of the company	31 Dec 2014 Attributable to Non-controllings interests	31 Dec 2014 Total	31 Mar 2014 Attributable to owners of the company	31 Mar 2014 Attributable to Non-controllings interests	31 Mar 2014 Total
Statutory reserves (Ghana)	3,865,427	418,069	4,283,496	4,533,692	490,346	5,024,038
Regulatory credit risk reserve (Ghana)	3,450,487	373,191	3,823,678	7,015,160	758,732	7,773,892
General reserves (Zambia)	5,011,591	1,009,785	6,021,376	3,329,785	670,918	4,000,703
Statutory reserve (CFC)	629,241	221,085	850,326	689,810	242,366	932,176
Regulatory credit risk reserve (CFC)	365,687	128,484	494,171	687,047	241,395	928,442
Total	13,322,433	2,150,614	15,473,047	16,255,494	2,403,757	18,659,251

17. Finance lease obligation

	Group 31 Dec 2014	Group 31 Mar 2014	Company 31 Dec 2014	Company 31 Mar 2014
Minimum lease payments due				
- within one year	598,323	480,342	-	-
- in second to fifth year inclusive	606,246	227,254	-	-
	1,204,569	707,596	-	-
Less: future finance charges	(227,710)	(77,050)	-	-
Present value of minimum lease payments	976,859	630,546	-	-
Present value of minimum lease payments due				
Current liabilities	457,660	419,596	-	-
Non-current liabilities	519,199	210,950	-	-
	976,859	630,546	-	-

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 9% 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 31 Dec 2014	Group 31 Mar 2014	Company 31 Dec 2014	Company 31 Mar 2014
Sundry creditors and accruals	22,846,817	24,443,073	2,422,342	6,273,178
Bond interest payable	14,997,630	22,739,951	14,997,630	22,739,951
Withholding tax payable	2,191,756	1,405,132	-	-
	40,036,203	48,588,156	17,419,972	29,013,129

19. Provisions

Current liabilities

	Group 31 Dec 2014	Group 31 Mar 2014	Company 31 Dec 2014	Company 31 Mar 2014
Payroll related provisions				
Opening balance	3,199,408	3,689,359	772,227	1,492,835
Additions through business combinations	-	(337,109)	-	-
Additions	9,900,170	5,073,248	3,900,925	1,144,623
Utilised during the period/year	(5,326,527)	(4,949,246)	(1,657,967)	(1,865,231)
Foreign differences on translation	(317,538)	(276,844)	-	-
Closing balance	7,455,513	3,199,408	3,015,185	772,227

Payroll related provisions relates to accruals made for staff and management performance bonuses.

Notes to the Group Annual Financial Statements (continued)

		Group		Company	
Figures in US Dollar		31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

20. Borrowings

Held at amortised cost					
Corporate Bonds	(i)	387,076,933	316,826,595	355,754,009	316,826,595
Other term loans	(ii)	167,729,851	147,980,776	13,233,590	13,233,590
Loan notes	(iii)	278,853,555	365,218,600	-	-
		833,660,339	830,025,971	368,987,599	330,060,185

(i) Corporate Bonds

In November 2014, the Company issued Corporate Bonds with a nominal amount of SEK650,000,000 at a coupon rate of 14% payable annually on the anniversary date and are due to be redeemed in November 2019. These Bonds constitutes direct, general, unconditional, subordinated and unsecured obligations of the Company. The Bonds are listed on the Nasdaq OMX Stockholm AB.

During the period, Bayport Financial Services Limited, a subsidiary of the Company incorporated in Zambia issued Corporate Bonds of USD31 million at an average interest rates raging from 18.5% to 20.7%. The Bonds are denominated in Zambian Kwacha, secured over the net advances of the subsidiary and have tenures ranging from three to five years.

(ii) Other term loans

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

Terms of the loans vary from 1 year to 8 years and interest rates vary from 7.23% to 31% per annum.

(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.

Terms of the loans vary from 1 year to 7.5 years and interest rates vary from 7.58% to 15.55% per annum.
Other term loans and loan notes include borrowings of USD 406 million (31 March 2014: USD 443.7 million) 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 2 million)
(b) Subordination of loans from Bayport Management Limited to subsidiaries of USD25 million.
(c) Corporate guarantee from Bayport Management Limited of UGX 3,825,600,000 (USD 1.4 million)(31 Mar 2014: USD 1.5 million)
(d) Lien over cash of TZS 686,975,000 (USD 0.3 million).
(e) Bank balances of Bayport Securitisation (RF) Limited amounting to USD12.9 million have been pledged as security (refer to note 3).

Non-current liabilities				
At amortised cost	584,667,959	678,169,101	278,927,644	330,060,185
Current liabilities				
At amortised cost	248,992,380	151,856,870	90,059,955	-
	833,660,339	830,025,971	368,987,599	330,060,185

Remaining term of maturity				
On demand or within period not exceeding one year	248,992,380	151,856,870	90,059,955	-
Within a period of more than one year but not exceeding two years	106,027,544	235,582,217	-	108,146,524
Within a period of more than two years but not exceeding five years	478,242,129	428,344,440	278,927,644	221,913,661
In more than five years	398,286	14,242,444	-	-
	833,660,339	830,025,971	368,987,599	330,060,185

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	31 Dec 2014	31 Mar 2014	31 Dec 2014	31 Mar 2014

21. Other financial liabilities

31 December 2014

Forward exchange contracts	19,386,481	-	19,836,481	-

The Company entered into forward foreign exchange contracts during September and October 2014 with a view to hedge its exposure to movements in SEK/USD exchange rates relating to its bond liabilities denominated in Swedish Krona. Details of the contracts entered into are as follows:

	Currency	Trade date	Maturity date	Notional amount
Forward exchange contract 1	SEK	September 2014	September 2015	SEK639 million
Forward exchange contract 2	SEK	October 2014	October 2015	SEK689 million
Forward exchange contract 3	SEK	October 2014	October 2015	SEK800 million

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Group 9 months ended 31 December 2014	Group 12 months ended 31 March 2014	Company 9 months ended 31 December 2014	Company 12 months ended 31 March 2014

22. Interest income

Advances	222,625,560	185,548,944	-	-
Intercompany loans	-	-	30,516,440	30,264,629
LTIP interest (note 34)	102,785	122,907	102,785	122,907
	222,728,345	185,671,851	30,619,225	30,387,536

23. Interest expense

Interest on bank overdrafts and loans	47,835,212	25,942,623	1,746,549	954,949
Interest on Corporate bonds and promissory notes	32,825,526	33,348,666	29,307,030	33,348,666
	80,660,738	59,291,289	31,053,579	34,303,615

24. Fees and commission income

Administration fees	9,083,745	7,543,549	-	-
Monthly service fees	7,294,465	2,612,190	-	-
Commission income	7,601,838	4,585,465	-	-
	23,980,048	14,741,204	-	-

25. (Profit)/ loss before taxation

(Profit)/loss before taxation for the period/year is stated after (crediting)/charging for the following:

Cost of inventories expensed	9,075,590	3,865,955	-	-
Depreciation on property and equipment and intangible assets	4,016,397	3,540,276	210,866	371,521
Employee costs	29,523,137	19,813,621	2,892,187	920,158
(Profit)/loss on sale of property and equipment and intangible assets	(75,615)	(161,235)	391	2,435

26. Taxation

Major components of the tax expense

Current				
Foreign tax	7,084,835	13,724,610	-	-
Withholding tax	4,528,254	4,306,613	4,528,254	4,306,613
	11,613,089	18,031,223	4,528,254	4,306,613
Deferred				
Current year	(5,684,599)	4,297	-	-
	5,928,490	18,035,520	4,528,254	4,306,613

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Group 9 months ended 31 December 2014	Group 12 months ended 31 March 2014	Company 9 months ended 31 December 2014	Company 12 months ended 31 March 2014

26. Taxation (continued)

Reconciliation of the tax expense

Profit/(loss) before taxation	47,313,705	34,648,752	(19,573,647)	(2,956,198)
Tax at the applicable tax rate of 3% (2014: 3%)	1,419,411	1,039,463	(587,209)	(88,686)
Tax effect of adjustments on taxable income				
Tax effect of expenses that are not deductible in determining taxable profit	2,088,365	673,938	1,704,513	182,208
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,668,671	13,445,860	-	-
Tax effect of withholding tax	4,528,254	4,306,613	4,528,254	4,306,613
Exempt income	(5,055,617)	(1,456,260)	(1,354,927)	(299,098)
Adjustment prior year	41,783	13,589	-	-
Unutilised tax losses	237,623	12,317	237,623	205,576
	5,928,490	18,035,520	4,528,254	4,306,613
Effective tax rate	13%	52%	-	-

27. Earnings per share

Basic earnings per share

From continuing operations	1.74	0.76

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	42,271,164	13,724,313
Earnings used in the calculation of basic earnings per share	42,271,164	13,724,313
Weighted average number of shares for the purpose of basic earnings per share	24,236,012	18,080,928

Diluted earnings per share

From continuing operations	1.74	0.76

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	42,271,164	13,724,313

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:

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	9 months ended 31 December 2014	12 months ended 31 March 2014	9 months ended 31 December 2014	12 months ended 31 March 2014

27. Earnings per share (continued)

Weighted average number of shares used in the calculation of basic earnings per share	24,236,012	18,080,928		
Share deemed to be of no consideration in respect of:				
- Share incentive schemes	26,317	31,872		
Earnings used in the calculation of diluted earnings per share	24,262,329	18,112,800		

28. Cash (used in)/ generated from operations

Profit/(loss) before taxation	47,313,705	34,648,752	(19,573,647)	(2,956,198)
Adjustments for:				
Depreciation and amortisation	4,016,397	3,540,276	210,866	371,521
(Profit)/loss on sale of property, equipment and intangible assets	(75,615)	(161,235)	391	2,435
Foreign currency gain	(40,766,289)	(5,236,920)	(40,563,647)	(2,538,842)
Finance costs paid	80,660,738	59,291,289	31,053,579	34,303,615
Dividends receivable recognised in income statement	(15,615,808)	(9,475,175)	(1,568,839)	(5,509,371)
Decrease/(Increase) in provision for credit impairment	(54,073,777)	8,544,015	-	-
Impairment loss on investment(note 8)	-	-	51,825,359	-
Impairment loss on goodwill(note 9)	-	12,676,148	-	-
Expense recognised in respect of share based payments	455,095	220,659	455,095	220,659
Changes in working capital:				
Decrease in inventories	3,090,076	2,817,118	-	-
Increase in trade and other receivables	(15,200,804)	(9,034,755)	(3,222,520)	(5,053,450)
Increase in gross advances	(48,545,485)	(145,211,771)	-	-
Increase/(decrease) in trade and other payables	5,263,652	4,864,901	(1,786,859)	871,567
	(33,478,115)	(42,516,698)	16,829,778	19,711,936

29. Other income

Management fees	-	-	944,874	1,110,545
Professional fees	-	122,714	898,997	844,900
Profit/(loss) on disposal of property, equipment and intangibles	75,615	161,235	(391)	(2,435)
Income from money transfer - Zambia	82,074	282,626	-	-
Other interest income	1,926,093	875,055	60,940	225,144
Sundry income	1,401,929	1,744,534	1,286	4,609
Gross margin on retail business (i)	3,983,535	1,371,605	-	-
	7,469,246	4,557,769	1,905,706	2,182,763

(i) Gross margin on retail business				
Sales	13,188,145	5,258,990	-	-
Cost of sales	(9,204,610)	(3,887,385)	-	-
Gross margin	3,983,535	1,371,605	-	-

30. Exchange differences

Arising on translating foreign operations	26,749,834	22,864,283	-	-
Arising on translating loan to subsidiaries	20,889,213	17,830,420	-	-
	47,639,047	40,694,703	-	-

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Group 9 months ended 31 December 2014	Group 12 months ended 31 March 2014	Company 9 months ended 31 December 2014	Company 12 months ended 31 March 2014

31. Current tax (assets)/ liabilities

Current tax liabilities	2,744,893	8,626,306	-	-
Current tax assets	(2,564,831)	(3,535,338)	-	-
	180,062	5,090,968	-	-
Balance at beginning of the year	5,090,968	1,401,349	-	-
Current tax for the year recognised in profit or loss (note 26)	11,613,089	18,031,223	4,528,254	4,306,613
On acquisition of subsidiaries (note 32)	318,413	4,580,974	-	-
Foreign exchange difference	(329,865)	133,160	-	-
Tax paid	(16,512,543)	(19,055,738)	(4,528,254)	(4,306,613)
	180,062	5,090,968	-	-

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

32. Business combinations

32.1 Acquisition of subsidiaries - 31 December 2014

In November 2014, Actvest Mexico, a wholly owned company of the Group, acquired 60% of the share capital of Financiera Fortaleza, S.A de C.V., SOFOM, E.N.R ("FF"), a private limited company registered in Mexico. The company is involved in the provision of financial services.

Assets acquired and liabilities recognised at the date of acquisition

Assets	USD
Cash and cash equivalents	2,023,407
Net advances	10,378,449
Trade and other receivables	1,886,773
Property and equipment	30,751
	14,319,380
Liabilities	
Trade and other payables	816,002
Borrowings	7,131,016
Current tax liabilities (note 31)	318,413
	8,265,431

Goodwill arising at acquisition

Consideration transferred	8,577,167
Less: fair value of identifiable net assets acquired	(3,632,369)
	4,944,798

Net cash outflow on acquisition of subsidiaries

Consideration paid in cash	8,577,167
Less: cash and cash equivalent balances acquired	(2,023,407)
	6,553,760

Impact on acquisition on the results of the Group

Included in the profit for the period are losses of USD 105,930 attributable to the additional businesses generated by FF. Interest income for the period inlcudes USD 437,944 in respect of the acquired subsidiary.

32.2 Acquisition of subsidiaries - 31 March 2014

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 re gistered in South Africa. The two companies are involved in the provision of unsecured credit, cellular handset, airtime agreements and related products.

During the period, a new impairment model was introduced to reflect events and changes in the unsecured lending industry in South Africa that was being experienced since beginning of the year.

The change in model resulted in a significant increase in the impairment provisions of loans and advances and as a function, additional deferred tax assets were created.

Management has posted the adjustments as a measurement period adjustment under IFRS 3 as within one year from the acquisition date, the acquirer can retrospectively adjust provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date.

The adjustments also resulted in additional increase in goodwill of USD 77M.

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

32. Business combinations (continued)

Assets acquired and liabilities recognised at the date of acquisition	(Restated) USD	Adjustments USD	(As previously reported) USD
Assets			
Cash and cash equivalents	23,536,400	-	23,536,400
Net advances (note 4)	343,847,148	(88,997,304)	432,844,452
Trade and other receivables	10,664,188	-	10,664,188
Other investments	43,938,584	-	43,938,584
Inventories	7,246,940	-	7,246,940
Current tax receivable (note 31)	2,615,890	-	2,615,890
Deferred tax assets (note 10)	15,862,791	11,905,099	3,957,692
Property and equipment	4,189,852	-	4,189,852
Intangible assets	1,230,434	-	1,230,434
	453,132,227	(77,092,205)	530,224,432

Liabilities	(Restated) USD	Adjustments USD	(As previously reported) USD
Trade and other payables	8,738,586	-	8,738,586
Borrowings	408,748,577	-	408,748,577
Current tax liabilities (note 31)	7,196,864	-	7,196,864
	424,684,027	-	424,684,027

Goodwill arising at acquisition	(Restated) USD	Adjustments USD	(As previously reported) USD
Consideration	154,028,039	-	154,028,039
Less: fair value of identifiable net assets acquired	(28,448,200)	77,092,205	(105,540,405)
Less: non-controlling interest acquired	(58,719)	-	(58,719)
	125,521,120	77,092,205	48,428,915

Net cash outflow on acquisition of subsidiaries	(Restated) USD	Adjustments USD	(As previously reported)) USD
Consideration paid in cash	154,028,039	-	154,028,039
Less: cash and cash equivalent balances acquired	(23,536,400)	-	(23,536,400)
	130,491,639	-	130,491,639

Impact on acquisition on the results of the Group

Interest income for the year ended 31 March 2014 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.

Notes to the Group Annual Financial Statements (continued)

	Group		Company	
Figures in US Dollar	9 months ended 31 December 2014	12 months ended 31 March 2014	9 months ended 31 December 2014	12 months ended 31 March 2014

33. Commitments

Operating leases – as lessee

Operating lease relate to leases of office premises with use term of between 1 and 5 years. Neither the Group nor the Company have an option to purchase the leased office premises at the expiry of the lease periods.

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

- Within one year	4,055,489	3,999,381	91,720	93,395
- In second to fifth year inclusive	6,385,765	8,172,716	170,491	252,850
- After five years	103,835	149,937	-	-
	10,545,089	12,322,034	262,211	346,245

Payments recognised as an expense

Operating lease charges	4,189,783	3,025,059	99,467	170,404

34. Related parties

Relationships

(i) 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

(ii) Related party balances

Refer to note 5 and 6 for details of amounts due from/(to) related parties.

(iii) Transactions with shareholders of the company				
Interest receivable from loan under share incentive scheme	102,785	122,907	102,785	122,907
(iv) Transactions with shareholders of subsidiaries				
Interest received from shareholders				
Ghana Mineworkers Union	(1,285)	(1,681)	(1,285)	(1,681)
(v)Transactions with entities under common shareholding				
Professional fees received				
Actvest (Proprietary) Limited	-	122,713	-	122,713
Professional fees paid				
Actvest (Proprietary) Limited	7,788,211	8,583,864	-	-
Interest received				
Actvest (Proprietary) Limited	112,905	-	-	-
Cost recoveries				
Actvest (Proprietary) Limited	1,060,293	-	-	-
Deposit paid for lending software under development				
Actvest (Proprietary) Limited	1,114,969	2,442,971	-	-

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Group 9 months ended 31 December 2014	Group 12 months ended 31 March 2014	Company 9 months ended 31 December 2014	Company 12 months ended 31 March 2014
34. Related parties (continued)				
Transaction with key management personnel				
Sale of assets				
Mr Justin Chola - Director/Shareholder	53,495	471,114	-	-
Acquisition of shares in BFS Zambia				
Mr Justin Chola - Director/Shareholder	-	5,361,916	-	5,361,916
(vi) Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation. These transactions are:				
Interest received				
Bayport Financial Services Limited (Zambia)	-	-	13,761,402	10,680,204
Bayport Financial Services Uganda Limited	-	-	1,974,644	1,971,226
Bayport Financial Services (T) Limited	-	-	2,538,300	3,350,826
Bayport Financial Services Ghana Limited	-	-	1,625,458	2,012,728
Money Quest Investments (Proprietary) Limited	-	-	3,140,941	5,221,923
Consumer Finance Company Limited	-	-	1,404,320	1,071,012
Bayport Fimsa S.A.S	-	-	6,031,811	5,956,710
Cashfoundry Limited	-	-	-	(16,446)
Actvest Mexico SAPI de CV, SOFOM, ENR	-	-	39,559	-
	-	-	30,516,435	30,248,183
Management fees received				
Bayport Financial Services Limited (Zambia)	-	-	944,874	1,110,545
Professional fees paid				
Bayport Financial Services Mocambique (MCB) SA	-	-	898,997	722,187
Dividend received				
Bayport Fimsa S.A.S	-	-	-	944,412
(vii) Compensation of directors and other key management personnel				
Short term benefits	10,572,839	10,946,992	1,391,788	1,606,733
Post-employment benefits	143,609	83,033	-	-
Share-based payments	493,992	225,305	455,095	220,660
	11,210,440	11,255,330	1,846,883	1,827,393

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar	Note	Group 31 Dec 2014	Group 31 Mar 2014	Company 31 Dec 2014	Company 31 Mar 2014

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 borrowings and bank overdrafts disclosed in notes 17 and 20, offset by 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 for the Group.

The net debt to total capital ratio for the Group at 31 Dec 2014 and 31 Mar 2014 respectively were as follows:

	Note	31 Dec 2014	31 Mar 2014
Total borrowings			
Finance lease obligation	17	976,859	630,546
Borrowings	20	833,660,339	830,025,971
		834,637,198	830,656,517
Less: Cash and cash equivalents	3	(56,682,661)	(84,179,399)
Net debt		777,954,537	746,477,118
Total equity		214,141,585	210,199,054
Total capital		992,096,122	956,676,172
Net debt to capital		78 %	78 %

35.2. Categories of financial instruments

	Group 31 Dec 2014	Group 31 Mar 2014	Company 31 Dec 2014	Company 31 Mar 2014
Financial assets				
Loans and receivables				
Cash and cash equivalents	65,839,650	91,404,689	24,417,798	44,446,512
Net advances	808,938,674	774,428,553	-	-
Trade and other receivables	15,480,484	17,984,340	3,786,157	5,485,631
Amount due from related parties	7,055,394	3,108,498	252,446,999	219,679,930
Available for sale investment				
Other financial assets	60,512,189	56,056,233	28,182,842	12,292,844
	957,826,391	942,982,313	308,833,796	281,904,917
Financial liabilities				
At amortised cost				
Finance lease obligation	976,859	630,546	-	-
Bank overdraft	9,156,989	7,225,290	-	-
Trade and other payables	37,844,447	47,183,024	17,419,972	29,013,129
Borrowings	833,660,339	830,025,971	368,987,599	330,060,185
Amount due to related parties	3,210,967	1,913,103	759,574	715,476
Fair value through profit or loss				
Other financial liabilities	19,836,481	-	19,836,481	-
	904,686,082	886,977,934	407,003,626	359,788,790

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

35. Risk management (continued)

35.3. Financial risk management

The Group and Company'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 and Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group and Company'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 and Company 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

31 Dec 2014	0-3 months	4-12 months	1-5 years	Total
Financial assets				
Cash and cash equivalents	50,779,650	15,060,000	-	65,839,650
Net advances	210,650,900	399,694,349	1,072,587,656	1,682,932,905
Trade and other receivables	11,694,327	2,623,050	1,163,107	15,480,484
Amount due from related parties	4,365,704	387,359	2,302,331	7,055,394
Other financial assets	4,233,687	10,145,738	46,132,764	60,512,189
Cash flows from financial assets	281,724,268	427,910,496	1,122,185,858	1,831,820,622
Financial Liabilities				
Finance lease obligation	176,335	421,988	606,246	1,204,569
Bank overdraft	9,156,989	-	-	9,156,989
Trade and other payables	21,711,254	208,913	-	21,920,167
Borrowings	46,634,411	286,511,821	743,436,121	1,076,582,353
Amount due to related parties	2,967,801	85,471	208,930	3,262,202
Other financial liabilities	-	19,836,481	-	19,836,481
Cash flows from financial liabilities	80,646,790	307,064,674	744,251,297	1,131,962,761
Net Liquidity gap	201,077,478	120,845,822	377,934,561	699,857,861

31 Mar 2014	0-3 months	4-12 months	1- 5 years	Total
Cash flows from financial assets	371,860,255	432,410,318	1,127,267,261	1,931,537,834
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

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

35. Risk management (continued)

35.4. Liquidity risk (continued)

Company

31 Dec 2014	0-3 months	4-12 months	1-5 years	Total
Financial assets				
Cash and cash equivalents	9,357,798	15,060,000	-	24,417,798
Trade and other receivables	-	2,623,050	1,163,107	3,786,157
Amount due from related parties	56,755,287	125,105,176	101,096,932	282,957,395
Other financial assets	-	-	28,182,842	28,182,842
Cash flows from financial assets	66,113,085	142,788,226	130,442,881	339,344,192
Financial liabilities				
Trade and other payables	502,445	-	-	502,445
Borrowings	-	137,739,455	372,532,209	510,271,664
Amount due to related parties	759,574	-	-	759,574
Other financial liabilities	-	19,836,481	-	19,836,481
Cash flows from financial liabilities	1,262,019	157,575,936	372,532,209	531,370,164
Net liquidity gap	64,851,066	(14,787,710)	(242,089,328)	(192,025,972)

31 Mar 2014	0-3 months	4-12 months	1-5 years	Total
Cash flows from financial assets	93,306,747	94,593,942	129,520,689	317,421,378
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)

As a function of the capital structure, one of the Company's subsidiaries, Bayport Financial Services 2010 Proprietary Limited, has regular debt redemption needs that require access to the wholesale debt markets. There is currently uncertainty as to the available liquidity in these debt markets. The directors have considered this potential difficulty and believe that there is no going concern risk at present. In performing this assessment, the directors have considered all available information about future funding prospects, the possible outcomes of the events and changes in conditions and realistically possible responses to such events and conditions that will be available to the directors.

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 period beginning on 01 April 2014.

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

35. Risk management (continued)

35.5. Interest rate risk (continued)

Group

31 December 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	41,385,215	38,634,369	44,136,061
Equity	214,141,585	211,390,739	216,892,431

31 March 2014(Restated)	Amount	Scenario 1 Effect after 10% increase in variable interest rates	Scenario 2 Effect after 10% decrease in variable interest rates
Proft after tax	16,613,232	15,645,020	17,581,444
Equity	210,199,054	209,230,842	211,167,266

Assuming no management actions an increase in interest rates would decrease the group's profit after tax for the period by USD 2,750,846 (31 Mar 2014: USD 968,212) and equity by USD 2,750,846 (31 Mar 2014: USD 968,212), while a fall would increase profit after tax and equity by the same amounts.

Company

31 December 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	(24,101,901)	(24,101,901)	(24,101,901)
Equity	129,472,897	129,472,897	129,472,897

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

Assuming no management actions an increase or decrease in interest rates would have no impact in the company's loss after tax for the period 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)

Figures in US Dollar

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:

	31 Dec 2014		31 Mar 2014	
	Financial assets	Financial liabilities	Financial assets (Restated)	Financial liabilities
Group				
Currency				
South African Rand	382,570,584	326,472,805	442,823,685	420,893,121
Zambian Kwacha	190,867,226	52,672,551	148,925,192	27,255,225
Ghanaian Cedi	85,033,239	23,560,009	81,571,881	19,356,706
Uganda Shilling	32,402,515	5,673,269	32,599,068	7,463,729
Tanzanian Shilling	55,950,501	16,585,843	48,313,325	11,426,421
United States Dollar	52,899,465	295,700,459	61,318,504	22,384,131
Colombian Peso	88,458,980	35,732,168	86,489,809	27,201,770
Botswana Pula	39,587,660	17,647,194	36,965,868	10,001,681
Swedish Krona	4,455,332	116,805,859	339,358	339,566,546
Pound Sterling	346,626	150,539	832,906	-
Mauritian Rupee	136,810	6,646	120,365	15,648
Mozambican Metical	13,065,665	5,650,223	2,645,525	2,812,523
Mexican Pesos	12,051,790	8,028,521	36,830	5,565
	957,826,393	904,686,086	942,982,316	888,383,066

	31 Dec 2014		31 Mar 2014	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Company				
Currency				
South African Rand	2,897,581	-	3,274,228	220,993
Zambian Kwacha	72,472,523	-	42,811,136	-
United States Dollar	228,871,550	290,191,121	234,387,916	19,638,116
Colombian Peso	-	-	971,914	-
Swedish Krona	4,455,332	116,805,859	339,358	339,566,546
Pound Sterling	-	-	-	347,486
Mauritian Rupee	136,810	6,646	120,365	15,648
	308,833,796	407,003,626	281,904,917	359,788,789

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%

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

35. Risk management (continued)

35.7. Foreign exchange risk (continued)

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.

- 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 period from 01 April 2014.
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 December 2014	Amount	Scenario 1 Effect after 10% appreciation in USD	Scenario 2 Effect after 10% depreciation in USD
Profit after tax	41,385,215	38,528,545	44,241,885
Equity	214,141,585	192,554,573	235,728,597

31 March 2014	Amount	Scenario 1 Effect after 10% appreciation in USD	Scenario 2 Effect after 10% depreciation in USD
Profit after tax	16,613,232	43,498,136	(10,271,672)
Equity	210,199,054	217,238,942	203,159,166

Assuming no management actions, an appreciation in the US Dollar would decrease profit after tax for the period by USD 2,856,670 (31 Mar 14: an increase of USD 26,884,904) and equity by USD 21,587,012 (31 Mar 14: an increase of USD 7,039,888), while a depreciation would increase 31 Dec 2014 (decrease 31 Mar 14) profit after tax and equity by the same amounts.

Company

31 December 2014	Amount	Scenario 1 Effect after 10% appreciation in USD	Scenario 2 Effect after 10% depreciation in USD
Loss after tax	(24,101,901)	(20,416,875)	(27,786,927)
Equity	129,472,897	133,157,923	125,787,871

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

Assuming no management actions, an appreciation in the US Dollar would decrease loss after tax for the period by USD 3,685,026 (31 Mar 14: USD 29,263,367) and increase equity by USD 3,685,026 (31 Mar 14: USD 29,263,367), while a depreciation would increase loss after tax and equity by the same amounts.

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

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 December 2014	31 March 2014				
Investment in Guardrisk Ltd (i)	28,182,842	12,292,844	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 8.36%	The higher the discount rate, the lower the fair value
HBA Proprietary Limited (ii) (acquisition through business combinations in 2014)	32,329,347	43,76:	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 taking into account management's experience and knowledge of the market	The higher the revenue growth rate, higher the fair value

(i) If all of the above unobservable inputs to the valuation model were simultaneously 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 USD7.8million (31 march 2014: USD1.6million).

(ii) If all of the above unobservable inputs to the valuation model were simultaneously 10% higher/(lower) while all other variables were held constant, the carrying amount of the investment would increase/(decrease) by USD4.0million (31 march 2014: USD5.4 million).

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)

Figures in US Dollar

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 Joint Group Chief Executive Officer (the Chief Operating Decision-Makers), who are 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: operations 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
(f) Mauritius: includes Bayport Management Ltd, Actvest Limited and Bayport Latin America Holdings Ltd

Interest income from BFS SA, Zambia and Tanzania amounts to USD 98million (31 March 2014: 32million); USD 40million (31 March 2014: USD 44million) and USD 16million (31 March 2014: USD 24million).

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 31 Dec 2014	Southern Africa	West Africa	East Africa	Latin America	Europe	Mauritius	Eliminations	Group
Income statement								
Interest income	150,311	26,725	26,739	18,953	-	30,516	(30,516)	222,728
Interest expense	(57,934)	(7,011)	(6,990)	(8,178)	-	(31,054)	30,506	(80,661)
Net interest income/(loss)	92,377	19,714	19,749	10,775	-	(538)	(10)	142,067
Fees and commission income	20,109	1,435	1,372	1,064	-	-	-	23,980
Dividend income	13,409	-	-	-	-	1,569	638	15,616
Other income	5,835	369	798	303	2,363	2,009	(4,208)	7,469
Impairment on loans and advances	(62,590)	(5,772)	(5,350)	(1,593)	-	-	-	(75,305)
Net operating income	69,140	15,746	16,569	10,549	2,363	3,040	(3,580)	113,827
Operating expenses	(62,832)	(13,858)	(11,851)	(9,216)	(2,208)	(10,479)	4,258	(106,186)
Foreign exchange (loss)/gain	(4,807)	(5,230)	(2,687)	(11,693)	-	39,668	24,421	39,672
Impairment loss on investment	-	-	-	-	-	(51,825)	51,825	-
Profit/(Loss) before taxation	1,501	(3,342)	2,031	(10,360)	155	(19,596)	76,924	47,313
Taxation								(5,928)
Profit for the period								41,385
Balance sheet								
Net advances	539,489	83,968	85,182	95,478	-	-	-	804,117
Other assets	158,253	12,412	9,650	13,987	1,247	539,482	(407,890)	327,141
Total assets	697,742	96,380	94,832	109,465	1,247	539,482	(407,890)	1,131,258
Borrowings and overdrafts	509,206	59,657	58,246	95,371	-	368,988	(247,674)	843,794
Other liabilities	17,509	7,293	5,954	5,244	215	41,021	(3,914)	73,322
Total liabilities	526,715	66,950	64,200	100,615	215	410,009	(251,588)	917,116

Notes to the Group Annual Financial Statements (continued)

Figures in US Dollar

37. Segmental reporting (continued)

Segmental reporting $'000 31 Mar 2014	Southern Africa	West Africa	East Africa	Latin America	Europe	Mauritius	Elimi-nations	Group
Income statement								
Interest income	89,853	42,299	34,720	18,800	-	30,265	(30,265)	185,672
Interest expense	(31,557)	(7,728)	(8,440)	(7,545)	-	(34,304)	30,283	(59,291)
Net interest income/(loss)	58,296	34,571	26,280	11,255	-	(4,039)	18	126,381
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	(3,505)	4,558
Impairment on loans and advances	(20,216)	(2,352)	(2,004)	(1,111)	-	-	-	(25,683)
Net operating income	55,879	34,494	27,067	11,017	1,670	3,776	(4,431)	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
Impairment loss on goodwill	-	-	-	-	-	-	(12,676)	(12,676)
Profit/(Loss) before taxation	6,585	8,271	13,754	(891)	125	(2,990)	9,795	34,649
Taxation								(18,036)
Profit for the year								16,613
Balance sheet								
Net advances	531,574	77,061	78,282	81,172	-	-	-	768,089
Other assets	237,668	10,809	5,902	6,386	1,089	498,342	(417,849)	342,347
Total assets	769,242	87,870	84,184	87,558	1,089	498,342	(417,849)	1,110,436
Borrowings and overdrafts	557,527	45,829	48,512	70,287	-	330,060	(214,333)	837,882
Other liabilities	22,069	4,268	3,848	4,291	110	30,517	(2,748)	62,355
Total liabilities	579,596	50,097	52,360	74,578	110	360,577	(217,081)	900,237

38. Financial summary

Group	31 December 2014	31 March 2014 (restated)	31 March 2013
Income statement			
Net interest income	142,067,607	126,380,562	98,606,419
Profit for the period/year	41,385,215	16,613,232	24,290,080
Profit attributable to owners of the company	42,271,164	13,724,313	20,306,112
Statement of financial position			
Net advances	804,116,862	768,089,662	339,760,732
Other assets	327,141,101	342,346,136	99,746,597
Total assets	1,131,257,963	1,110,435,798	439,507,329
Total equity	214,141,585	210,199,054	93,213,957
Total liabilities	917,116,378	900,236,744	346,293,372
Total equity and liabilities	1,131,257,963	1,110,435,798	439,507,329