MyBucks

Consolidated financial statements for the year ended 30 June.

2018

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

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MyBucks S.A.
RCS Luxembourg: B199543
9 rue du Laboratoire, L-1911
Luxembourg

Directors' responsibility report

The directors are required, in terms of the Luxembourg Act of 10 August 1915 on commercial companies to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The consolidated financial statements are prepared in accordance with IFRS as adopted by the EU and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout MyBucks S.A and its subsidiaries ("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's is on identifying, assessing, managing and monitoring all known forms of risk across the company. 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 consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and applying the going concern basis of accounting, if appropriate in the circumstances. Refer to the directors' report (page 8) and the notes to the consolidated financial statements (page 19) for more detail on the going concern assessment.

The consolidated financial statements have been examined by the groups external auditor and their report is presented on pages 2 to 5.

The consolidated financial statements set out on pages 12 to 108, which have been prepared on the going concern basis, were approved by the directors on 26 October 2018 and were signed on their behalf by:

Approval of the consolidated financial statements:

David van Niekerk
Executive chairman
26 October 2018

Markus Schachner
Non-executive deputy chairman
26 October 2018

Audit report

To the Shareholders of
MyBucks S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of MyBucks S.A. (the "Company") and its subsidiaries (the "Group") as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 June 2018;
- the consolidated statement profit and loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the statement of consolidated cash flow for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

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

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note "Going Concern" (page 19) to the consolidated financial statements, which indicates that the Group incurred a net loss of EUR 8.2 million and a net negative cash outflows from operating activities. The Group also breached the covenants of certain debt facilities during the year ended 30 June 2018. These events or conditions, along with other matters set forth in Note "Going

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Concern", indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Directors' report but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

The Directors' report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 30 October 2018

Malik Lekehal

Directors' report

The directors have pleasure in presenting their annual report together with the audited consolidated financial statements for the year ended 30 June 2018.

Nature of the business

MyBucks is a Frankfurt listed financial technology (FinTech) company, embracing technology as a means to provide financial products and services in predominantly high-growth emerging markets. Our business model and digital strategy is about engaging customers with great experiences, radically improving operations for our employees and leveraging technology to deliver services in a cost-efficient manner.

Through our brands – GetBucks, GetSure and MyBucks Banking Corporation (MBC) – we offer consumer loans and banking solutions, including insurance products. Our solutions are created with the aim of driving financial inclusion for both the unbanked and under-banked, as well as the financially vulnerable population globally.

We follow a robust approach towards risk modelling and an innovative approach towards credit scoring. Our custom developed system allows for an effective and accurate mitigation of risk by understanding, managing and assessing each customer's credit profile based on individual affordability.

The products offered by the group enable customers to manage their financial affairs easily and conveniently. We continuously aim to ensure that our products are accessible, simple and trustworthy in comparison to traditional, non-technological methods, ultimately, working towards enhancing benefits to the customer.

Since our inception in 2011, MyBucks has experienced exponential growth. The group has expanded into various jurisdictions and different operational models. These are:

Banking
Zimbabwe, Mozambique, Uganda and Malawi (through a joint venture);

Lending
South Africa, Botswana, Swaziland, Namibia, Zambia, Malawi, Kenya, Tanzania and Australia;

Management and technology
South Africa, Mauritius and Luxembourg.

Strategic overview

During the financial year, we continued to focus strongly on our growth strategy. This strategy consists of the four pillars, namely organic growth, expanding our digital banking offering, increased product diversification and geographical expansion.

Organic growth was achieved through leveraging the increasing smartphone penetration in the markets we serve which in turn resulted in a significant number of additional accounts and improved mobile money penetration. This growth was supported by a drive to reduce our cost of funding and source local funding lines in an effort to minimise foreign exchange risk, which stimulates local economic development. Growth was also achieved scaling up operations where required and continuously enhancing operational efficiencies.

The MyBucks digitalised banking model utilises technology to reach customers with an enhanced product offering as we continue delivering on our vision to drive financial inclusion within the unbanked and under-banked markets. By growing our digital banking reach, we are able to meet the demand from our customers for faster, convenient, reliable and cost-effective financial products.

The 50% investment in New Finance Bank Limited in Malawi was approved on 1 October 2017 and the group has realised a profit after tax of €110,752 in the first 9 months of this joint venture.

Our state-of-the-art technology together with our employees, is what differentiates us and form the key pillars of organisational excellence which enable us to achieve the business results we need to succeed in the marketplace. We aim to build and sustain a workforce that is engaged and delivers financial services to our customer base consistently and reliably. Achieving the high standard of service delivery that we set ourselves requires all divisions within the group to work together. To formulate an engaging employee experience and employer branding strategy, we continuously work with our employees to understand and identify what is required to excel.

We are committed to assisting employees achieve their professional and personal objectives and we encourage our employees to broaden their skill set and gain work experience in other organisational roles. In addition, we provide company-subsidised training opportunities to help employees develop or refine their skills, thereby increasing productivity and innovation in the workplace.

Having the right people and promoting an appropriate risk culture are critical to the future success of MyBucks. As a result, the group is committed to fostering a culture of risk awareness and transparency.

Financial performance

MyBucks has been recovering from the challenges of the 2017 financial year and delivered an improved set of results, albeit still a loss after tax. On the back of a 25% increase in the loan book, revenue increased by 10%. The group's impairment decreased with the improvement in the loan book quality.

The slowdown in the acquisition strategy was to focus on current operations and identify improvements which could improve the group results. During the 2018 financial year the only acquisition was the joint venture in NFB and subsequent to year end the acquisition of Capfin to expand the Australian operations.

This refocus was evident in 2018 as the group has recovered from the 2017 financial year by improving the loss after taxation from €13.0 million to €8.2 million, a 37% improvement. The operating profit (before financing costs) improved with 26% from €11.4 million in 2017 to €14.4 million in 2018.

The group had a (private placement) capital raising in February 2018 where €11.5 million (€11.6 million gross) equity was raised. These funds were used to restructure some of the group debt and to reduce the average cost of funding. The impact of these reductions was only in place for 4 months of the 2018 financial year and has resulted in a 6% reduction in the average cost of debt.

The group identified two operations which do not form part of the group's long-term strategy and the group has decided to dispose of OTM Mobile Proprietary Limited in South Africa (€102 thousand net asset) and GetBucks Poland SP Z in Europe (€96 thousand net liability). These businesses are classified as held for sale assets and liabilities in accordance with IFRS 5.

Key risks

Executive management considers the following to be key risks in the execution of its strategy:

- External (cyber and other sources) or unauthorised internal data manipulation or access to confidential information;
- Adverse foreign exchange exposure;
- Inability to execute or implement appropriate strategies;
- Inadequate and ineffective management of costs that may impact the ability to achieve financial targets;
- Changing economic factors and their impact on credit risk;
- Not realising sustainable funding lines in line with capital requirements;
- Inability to honour obligations due to a lack of liquidity;
- Ineffective collections processes;
- Non-adherence to covenant requirements; and
- Non-compliance to legislative and regulatory requirements.

These risks are assessed on a monthly (or more frequent) basis by management, inform the internal audit plan and are reviewed on a quarterly basis by the audit and risk committee.

Share capital

The authorised share capital remained constant during the year at 15,998,000 shares. During the year under review, 1,300,000 new shares were issued, and 250,000 shares were cancelled which brings the number of shares in issue to 12,715,612. The par value of the shares is €1 per share. All shares have equal voting rights. No ordinary shares were repurchased during the year.

Board of directors

Corporate governance statement
The MyBucks group board of directors is committed to high standards of corporate governance and strongly believes that good corporate governance enhances the sustainable growth of performance of the group and is central to achieving the group's primary objective of maximising shareholder value. The corporate governance practices at MyBucks provide the structure which enables this objective to be achieved, whilst also ensuring that the business and affairs of the group are conducted competitively under high ethical standards and in accordance with the law.

Board meetings
The board meets are held at least once a quarter.

The directors of the group in office during the financial year:

Markus Schachner * (Deputy chairman)

Trevor Joslin

George Manyere

Dennis Wallestad

Dave van Niekerk (Executive chairman)

Timothy Nuy ¥ (Chief executive officer)

Christopher Hall ᵃ

* Markus Schachner was appointed as a non-executive deputy chairman / director on 1 April 2018.
ᵃ Christopher Hall was appointed as a director on 17 July 2017.
¥ Timothy Nuy resigned from his position as director effective 3 September 2018.

Risk management

The board is responsible for approving and reviewing MyBucks' risk management strategy and policy.

The main purpose of risk management is to secure positive development of earnings for the group in a sustainable manner.

Going concern assessment

The board has assessed the entity's ability to continue as a going concern and believe its is appropriate that the consolidated financial statements are prepared on the going concern basis.

In performing the going concern assessment, the board has considered historical data relating to resources and reserves, available information about the future, the possible outcomes of planned events, changes in future conditions and the responses to such events and conditions that would be available to the board.

Based on the latest forecasts and predictions, the product offering of the group and the performance of both the banking and lending segments, the board is of the opinion that the group will return to profitability and net cash generation in the medium-term (refer to the notes to the consolidated financial statements on page 19 for more detail on the going concern assessment).

Financial risk management objectives and policies

The main risks arising from our financial instruments are liquidity risk, foreign currency exchange risk, interest rate risk and credit risk. The importance of managing these risks has increased in light of the considerable change and volatility in the markets where the group operates. The board approved policies for managing each of these risks and these policies are summarised below. These risks, assessed on a quarterly (or more regular) basis by management, drive the internal audit plan and are reviewed by the audit and risk committee.

Main principles of organising risk management

The group adheres to the risk management policy approved by the board. The policy governs how we set targets and identify risks, as well as to measure, review, report, follow-up, monitor and react to risks. The aim of risk management is to:

- Systematically and comprehensively identify and assess all key risks which threaten the achievement of our objectives, including risks related to business operations, agreements, financing and strategy;
- Optimise business opportunities and secure the continuation of the business;
- Recognise uncertainties and develop models for the prediction of risks as well as the measures needed to manage risks;
- Take calculated and assessed risks with respect to expanding the business, increasing market share and building new businesses;
- Avoid or minimise liability risks; and
- Inform interest groups of risks and risk management.

Directors' report

Main principles of the risk management process

In connection with the strategy process and annual planning, the steering committee reviews business risks which could endanger the achievement of strategic or profit targets. Risk assessment reports are produced to support the strategy process. Strategic and operative risks are monitored through quarterly reporting to the board. The group prepares risk assessments and provides action plans to manage risks as well as to report on measures taken, including the life stage and effectiveness of such measures.

General description of internal control and operational procedures

Internal control is a process applied by the board of directors, management and all levels of personnel in the group to ensure that management has reasonable assurance that:

- Operations are effective, efficient and aligned with strategy;
- Management reports information which is valid, accurate and complete;
- The group is in compliance with applicable laws and regulations; and
- if an instance of non-compliance is identified, remedial action is taken to rectify the matter.

Internal control framework of the group

Control activities are the policies and procedures that help to ensure that management directives are carried out, risks are mitigated, and the group's objectives are achieved. Control objectives are set throughout the organisation, and include approvals, authorisations, verifications, reviews of operating performance, security of assets and segregation of duties. MyBucks' internal control framework consists of:

- Management oversight of the implementation of the policies and principles;
- Procedures ensuring the compliance with applicable laws, regulations, internal policies and ethical values; and
- Regular internal audit reviews to assess the effectiveness of the internal controls.

Internal controls over financial reporting

Organisational structure
The financial management team(s) of the group is responsible for the accounting and daily financial operations of the group as well as the internal and external reporting that supports the organisation and its stakeholders.

The tasks of the group´s financial management and administration consist of, inter alia, monthly consolidation of group entities, preparation of half-year financial reports and consolidated financial statements, management of liabilities, protection against exchange risk, and transfer pricing. The finance function of the group implements operative supervision under the chief financial officer who reports any supervisory findings to the audit and risk committee. The tasks and responsibilities of the accounting function of the parent company and each subsidiary are included in the job descriptions of the teams and employees.

Financial reporting systems
Consolidated financial statements are prepared by consolidating the accounting information as reported by the various entities in the group. The accounting of the group's subsidiaries is done by local teams and further enabled by accounting systems. Annual budgets and forecasts are prepared by each subsidiary and consolidated to present the group budget.

Internal controls
The group's internal control mechanisms are based on policies, process descriptions, authorisation matrix, financial reporting review meetings, and segregation of key accounting duties.

Roles and responsibilities regarding risk management and internal control
The key roles and responsibilities regarding the group's internal control and risk management are defined as follows:

Board of directors
The board of directors is ultimately responsible for the administration and the proper functioning of the operations of the group. According to good corporate governance principles, the board also ensures that the group has endorsed the corporate values applied to its operations.

The board approves the internal control, risk management and corporate governance policies. The board also establishes the risk appetite and risk tolerance of the group and re-evaluates it on a regular basis as part of the strategy and goal setting of the group. The board reports to the shareholders of the group.

Audit and risk committee

The audit and risk committee reports to the board of directors. The audit and risk committee is responsible for the following internal control related duties:

- To monitor the reporting process associated with the financial statements;
- To supervise the financial reporting process;
- To monitor the efficiency of the group's internal control, internal audit department and risk management systems;
- To review the description of the main features of the internal control and risk management systems pertaining to the financial reporting process; and
- To monitor the statutory audit of the financial statements and consolidated financial statements.

Steering committee

The members of the steering committee are responsible for internal control implementation in their designated areas of responsibility. More specific internal control policies and procedures are established within the principles set by the board. Additionally, the members of the steering committee are responsible for implementing risk management practices in the planning cycle and daily operations as well as ensuring the adherence of laws and regulations in their designated areas of responsibility.

Assurance

There are different levels of assurance in relation to the effectiveness and efficiency of our risk management framework and associated processes and controls:

- At first instance, assurance is provided from management through management reports and processes.
- Assurance also comes from the monitoring, oversight and reporting undertaken by the audit and risk committee, as well as from the independent testing, review and reporting undertaken by external audit.
- Independent external auditors are engaged by MyBucks S.A. to provide an audit opinion as required by law.
- Process, surveillance, controls or other reviews are performed by internal audit as required.

Research and development

Software development and IT solutions

As part of our research and development activities, we have developed and utilised proprietary and custom designed technologies and in-house IT solutions. Our cloud-based proprietary customer interface and loan management system, FinCloud, is designed to be both powerful enough to handle the large volumes of data required to evaluate customer applications and flexible enough to capitalise on changing customer preferences, market trends and regulatory changes.

Furthermore, the information gathered from our loan management system allows us to focus on clients, both potential and existing, who we believe are more likely to perform within pre-defined credit parameters.

Using this approach, we are able to build a list of clients who use our credit products, and to whom we can market our new product offerings. In addition, we have fully integrated third party platforms such as several government platforms into our systems to ensure seamless customer and internal processes. We have also developed and periodically improved custom loan processing and debt collection systems that are based on Microsoft.Net technologies.

The systems which we utilise share a common code, which is the same across our countries of operation. This ensures that our websites always have a consistent look and feel whether viewed on desktops or on mobile devices.

Coupled with remote data centres management, we have been able to replicate our business model in new markets and expect to be able to do so in the future. We have established a data science development team (the Data Science Team) with six full-time equivalent specialists as part of our vision to realise data as a business asset from which value can be extracted in the form of better-informed decision making. Achieving this vision rests on two pillars: a big data strategy where the amount of unstructured operational data being collected is drastically increased, and then building state-of-the-art artificial intelligence (AI) models to unlock the value encapsulated in this data through advanced analysis and data mining.

Directors' report

Future plans

The FinTech industry is teeming with opportunity, innovation and competitiveness. At the same time, it is disrupting a host of traditional financial services, including retail banking, lending and financing, payments and transfers, wealth and asset management, money markets, exchanges and insurance.

While traditional banking institutions across the globe grapple with implementing technological innovation matching that of the FinTech sector, Africa presents FinTechs, such as MyBucks, with enormous opportunity as it comes without the burden of a legacy of technological structures.

The continuing growth of the markets in the countries in which the group operates allows us to grow with the market and capitalise on expanding the existing business models.

Post-balance sheet events

Acquisition of Spotco Holdings (Pty) Ltd

On 1 August 2018 the group, through its subsidiary FairGo Finance Proprietary Limited, entered into an agreement to acquire 100% of the shares of Spotco Holdings (Pty) Ltd. This acquisition increases the customer base in the Australian market.

Additional investment in New Finance Bank Limited

On 6 September 2018 the group made an irrecoverable offer to acquire an additional 50% of the shares in issue of New Finance Bank Limited in Malawi.

Funding lines in Mozambique obtained

New funding lines amounting to €5,9 million was received in Mozambique from various entities

On behalf of the directors;

David van Niekerk
Executive chairman
MyBucks SA

Société Anonyme
Registered office:
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Luxembourg RCS
Luxembourg: B 199 543

Consolidated statement of financial position

As at 30 June

	Note	2018 €	2017 €
TOTAL ASSETS			
Non-current assets			
Property and equipment	4	13,894,619	11,028,568
Investment properties	5	461,469	-
Intangible assets	6	5,766,667	6,228,262
Goodwill	7	3,002,860	3,055,362
Loans to related parties	8	1,075,562	5,237,581
Investment in joint venture	9	5,178,949	-
Financial investments	10	1,719,869	-
Deferred tax	11	3,511,661	2,374,348
Loan book	12	38,307,277	22,784,603
Fixed deposits	13	2,584,068	-
		75,503,001	**50,708,724**
Current assets			
Loans to related parties	8	12,381,618	10,340,074
Loan book	12	47,415,653	45,742,325
Fixed deposits	13	10,518,900	19,067,384
Held for sale – asset	14	102,669	-
Other receivables	15	15,496,350	14,654,912
Other financial assets	16	348,459	348,648
Taxation paid in advance	17	776,108	782,115
Cash and cash equivalents	18	13,036,969	15,050,536
		100,076,726	**105,985,994**
Total assets		**175,579,727**	**156,694,718**
TOTAL EQUITY			
Share capital	19	12,715,612	11,665,612
Share premium	19	25,083,826	19,348,748
Foreign currency translation reserve	19	(3,207,000)	(1,483,168)
Other reserves	19	(80,156)	(1,274,763)
Accumulated Loss	19	(27,660,031)	(16,802,393)
Total equity attributable to the parents		**6,852,251**	**11,454,036**
Non-controlling interest	20	17,116,658	8,779,591
Total equity		**23,968,909**	**20,233,627**

Consolidated statement of financial position

As at 30 June

	Note	2018 €	2017 €
TOTAL LIABILITIES			
Non-current liabilities			
Loans from shareholders	8	594,418	-
Loans from related parties	8	19,945,163	26,823,581
Deferred tax	11	208,328	67,860
Other financial borrowings	21	44,376,717	19,438,852
Finance lease liabilities	22	149,839	102,468
Deferred grant income	23	640,778	179,538
Deposits from customers	24	179,303	183,453
		66,094,546	**46,795,752**
Current liabilities			
Loans from shareholders	8	1,771,380	4,774,000
Loans from related parties	8	8,123,780	10,348,630
Held for sale – liability	14	96,508	-
Taxation payable	17	940,199	1,282,512
Other financial borrowings	21	43,916,244	43,957,753
Finance lease liabilities	22	51,886	40,868
Deferred grant income	23	455,338	2,054,696
Deposits from customers	24	20,489,446	11,310,110
Other payables	25	8,682,992	11,529,802
Bank overdraft	18	988,499	4,366,968
		85,516,272	**89,665,339**
Total liabilities		**151,610,818**	**136,461,091**
Total equity and liabilities		**175,579,727**	**156,694,718**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of profit and loss and other comprehensive income

For the year ended 30 June

	Note	2018 €	2017 €
Revenue	26	61,307,099	55,791,344
Loan book impairment charges	27	(11,834,181)	(12,194,440)
Other income	28	6,792,482	6,511,606
Employee costs	29	(15,096,534)	(13,655,952)
Depreciation, amortisation and other impairments	30	(3,594,142)	(2,518,487)
Consulting and professional fees	31	(4,161,315)	(4,859,787)
Selling expenses	32	(7,103,117)	(4,699,953)
Operating expenses	33	(12,400,762)	(12,964,249)
Share of profit in joint venture	9	530,173	-
Operating profit		**14,439,703**	**11,410,082**
Investment revenue	34	3,671,478	2,683,535
Finance costs	35	(22,723,688)	(21,326,389)
Loss before taxation		**(4,612,507)**	**(7,232,772)**
Taxation	36	(2,586,658)	(3,428,701)
Loss after taxation from continuing operations		**(7,199,165)**	**(10,661,473)**
Discontinued operations	14	(992,768)	(2,352,677)
Loss after taxation		**(8,191,933)**	**(13,014,150)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		(2,312,367)	997,259
Effects of cash flow hedges		-	(59,601)
Revaluation of buildings, net of taxation		1,047,212	-
Total items that may be classified to profit or loss		**(1,265,155)**	**937,658**
Other comprehensive (loss) / income for the year net of income taxation		**(1,265,155)**	**937,658**
Total comprehensive loss for the year		**(9,457,088)**	**(12,076,492)**

Consolidated statement of profit and loss and other comprehensive income

For the year ended 30 June

	Note	2018 €	2017 €
Loss attributable to:			
Owners of the parents:			
From continuing operations		(9,997,105)	(12,681,970)
From discontinued operations		(860,533)	(2,352,677)
		(10,857,638)	**(15,034,647)**
Non-controlling interest:			
From continuing operations		2,797,940	2,020,497
From discontinued operations		(132,235)	-
		2,665,705	**2,020,497**
Total loss for the year			
From continuing operations		(7,199,165)	(10,661,473)
From discontinued operations		(992,768)	(2,352,677)
		(8,191,933)	**(13,014,150)**
Total comprehensive loss attributable to:			
Owners of the parent		(11,609,730)	(13,774,430)
Non-controlling interest		2,152,642	1,697,938
		(9,457,088)	**(12,076,492)**
Earnings per share:			
Basic loss per share from continuing operations	37	(0.83)	(1.10)
Basic loss per share from discontinuing operations	37	(0.07)	(0.20)
Diluted loss per share from continuing operations	37	(0.83)	(1.10)
Diluted loss per share from discontinuing operations	37	(0.07)	(0.20)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
As at 30 June

Figures in €	Share Capital	Share premium	Foreign currency translation reserve	Other reserves	Accumulated loss	Total attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 1 July 2016	**10,998,000**	**8,413,279**	**(2,802,986)**	**(1,861,087)**	**(766,302)**	**13,980,904**	**3,123,390**	**17,104,294**
Profit / (loss) for the year	-	-	-	-	(15,034,647)	(15,034,647)	2,020,497	(13,014,150)
Other comprehensive income / (loss)	-	-	1,319,818	(59,601)	-	1,260,217	(322,559)	937,658
Total comprehensive income/(loss) for the year	**-**	**-**	**1,319,818**	**(59,601)**	**(15,034,647)**	**(13,774,430)**	**1,697,938**	**(12,076,492)**
Issue of shares	667,612	10,935,469	-	-	-	11,603,081	-	11,603,081
Share based payment reserve	-	-	-	645,925	-	645,925	-	645,925
Acquisition of subsidiary	-	-	-	-	-	-	4,257,322	4,257,322
Dividends	-	-	-	-	-	-	(592,039)	(592,039)
Transactions with non-controlling interest	-	-	-	-	(1,001,444)	(1,001,444)	292,980	(708,464)
Total contributions by and distributions to owners of company recognised directly in equity	**667,612**	**10,935,469**	**-**	**645,925**	**(1,001,444)**	**11,247,562**	**3,958,263**	**15,205,825**
Balance at 30 June 2017	**11,665,612**	**19,348,748**	**(1,483,168)**	**(1,274,763)**	**(16,802,393)**	**11,454,036**	**8,779,591**	**20,233,627**
Note	19	19	19	19			20	

Consolidated statement of changes in equity
As at 30 June

Figures in €	Share Capital	Share premium	Foreign currency translation reserve	Other reserves	Accumulated loss	Total attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 1 July 2017	**11,665,612**	**19,348,748**	**(1,483,168)**	**(1,274,763)**	**(16,802,393)**	**11,454,036**	**8,779,591**	**20,233,627**
Profit / (loss) for the year	-	-	-	-	(10,857,638)	(10,857,638)	2,665,705	(8,191,933)
Other comprehensive income / (loss)	-	-	(1,723,832)	971,740	-	(752,092)	(513,063)	(1,265,155)
Total comprehensive income / (loss) for the year	**-**	**-**	**(1,723,832)**	**971,740**	**(10,857,638)**	**(11,609,730)**	**2,152,642**	**(9,457,088)**
Issue of shares	1,300,000	10,210,078	-	-	-	11,510,078	-	11,510,078
Cancelation of shares	(250,000)	(4,475,000)	-	-	-	(4,725,000)	-	(4,725,000)
Preference shares issued by subsidiary	-	-	-	-	-	-	6,822,625	6,822,625
Share based payment reserve	-	-	-	222,867	-	222,867	-	222,867
Dividends	-	-	-	-	-	-	(638,200)	(638,200)
Total contributions by and distributions to owners of company recognised directly in equity	**1,050,000**	**5,735,078**	**-**	**222,867**	**-**	**7,007,945**	**6,184,425**	**13,192,370**
Balance at 30 June 2018	**12,715,612**	**25,083,826**	**(3,207,000)**	**(80,156)**	**(27,660,031)**	**6,852,251**	**17,116,658**	**23,968,909**
Note	19	19	19	19			20	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flow

For the year ended 30 June

	Note	2018 €	2017 €
Cash flows from operating activities			
Cash (used in)/generated by operations	38	(4,372,667)	(9,461,578)
Interest received		2,152,376	1,557,462
Interest paid		(18,581,973)	(17,223,580)
Tax paid		(4,260,929)	(3,211,401)
Net cash flows used in operating activities		**(25,063,193)**	**(28,339,093)**
Cash flows from investing activities			
Purchase of property and equipment		(4,080,071)	(3,052,836)
Proceeds on sale of property and equipment		470,578	101,217
Investment in investment property		(451,993)	-
Investment in intangible assets		(1,980,336)	(502,510)
Investment in joint venture		(1,522,406)	-
Payment for acquisition of subsidiary, net of cash acquired		-	(36,482)
Placement/Encashment of short-term deposits		3,537,052	(1,181,597)
Loans advanced to related parties		(2,412,376)	(6,486,218)
Repayments from related parties		1,605,566	3,821,209
Investment in other financial assets		(3,090,991)	(3,940,293)
Payments received from loans related to other financial assets		3,961,707	663,118
Non-controlling interest shares acquired		-	(1,097,641)
Net cash flows used in investing activities		**(3,963,270)**	**(11,712,033)**
Cash flows from financing activities			
Proceeds on share issue		11,700,000	2,488,681
Share issued to minority interest		6,822,625	-
Capital raising fee		(189,922)	(36,515)
Repayment of other financial borrowings		(41,413,543)	(26,164,530)
Proceeds from other financial borrowings		55,164,147	47,332,786
Payment of derivative margin call deposit		-	(479,004)
Proceeds from shareholder loans		3,974,145	-
Payments on shareholder loans		(543,509)	-
Advances from related parties		12,248,538	20,042,369
Repayments to related parties		(16,183,966)	(7,546,368)
Finance lease payments		(31,946)	(39,613)
Grants received		353,395	1,257,840
Dividends paid		(638,200)	(274,098)
Net cash flows from financing activities		**31,261,764**	**36,581,548**
Total cash movement for the year		**2,235,301**	**(3,469,578)**
Cash and cash equivalents at the beginning of the year		10,683,568	13,778,900
Held for sale cash		(15,713)	-
Effect of exchange rate movement on cash and cash equivalent balances		(854,686)	374,246
Total cash and cash equivalents at the end of the year	18	**12,048,470**	**10,683,568**

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.
The major non-cash transactions were the acquisition of NFB (note 9) and the cancelation of the shares (note 15).

Notes to the consolidated financial statements

as at 30 June

Background and purpose of the consolidated financial statements

MyBucks is a FinTech company that embraces technology as a means to provide financial products and services to customers. The group's current primary activity is micro-lending. The group provides mid-term and long-term (6 - 72 month) loans with deduction at source collection mechanisms through pay-roll deduction agreements with employers. The group provides short-term loans (shorter than six months) on the back of direct debit collection mechanisms.

MyBucks S.à r.l. was incorporated as a holding company with interests in the financial services industry on 7 August 2015 in Luxembourg and was registered under the number B199543 Luxembourg Trade and Companies Register. The group operates in Africa, Australia and Europe having its registered office at 9, rue du Laboratoire, L-1911, Luxembourg.

On 23 June 2016 MyBucks became the first African focused FinTech company to list on the Frankfurt Stock Exchange Entry Standard.

Going concern

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

In performing the going concern assessment, the board has considered historical data relating to resources and reserves, available information about the future, the possible outcomes of planned events, changes in future conditions and the responses to such events and conditions that would be available to the board.

The board has, inter alia, considered the following specific factors in determining whether the group is a going concern:

- whether the group has sufficient cash resources to pay its creditors and maturing liabilities as and when they fall due and meet its operating costs for the ensuing twelve months; and
- whether the group has available cash resources to deploy in developing and growing existing operations or investing in new opportunities.

The board and management are not aware of any significant pending legislation that will threaten the going concern status of the group.

The going concern assessment is however a matter of judgement. In making this judgement, the board has considered the uncertainties arising from their assessment, both individually and collectively.

The board believes that the current economic outlook presents challenges in the near term, predominantly evidenced by the groups' operational performance and net cash outflows from operating activities during the past two financial years as well as the breach of covenants on certain debt facilities (these breaches primarily relate to the debt to equity ratio).

The board has contemplated that the combination of the circumstances above could represent a material uncertainty that might cast doubt upon the group's ability to continue as a going concern and therefore, the group may possibly be unable to realise its assets and discharge its liabilities or meet its financial obligations in the normal course of business.

The group has acquired distressed banks in the past two financial years. These banks have now been turned around, are all profitable, and the loss after tax of the group has substantially improved. The quality of the loan book has also strongly improved, and the cost of debt has been lowered.

The last two years of turning around these banks and other operations have placed stress on the group's liquidity and cash reserves. This has furthermore increased the groups debt to equity ratio, which is a loan covenant with certain funders.

To address the breached covenants under certain finance instruments, operational liquidity requirements and to reduce the group's debt to equity ratio, the board is considering options to raise capital, both debt, equity-like or equity.

Whilst the board has not decided on any capital raise yet and there can be no certainty that a capital raise will be successful at the time that any such measure is decided by the board, the board believes that there is strong interest from existing shareholders and potential new investors or strategic funders to invest into MyBucks' future development and to strengthen its capital base. Based on expressions of interest to date, the board is comfortable that a capital raise will be successful, which in turn will strengthen the statement of financial position and alleviate cash flow concerns and lower the cost of funding for MyBucks' operations.

Going concern (continued)

The group is also in the process of obtaining waivers from various debt holders where there is a breach in covenant requirements. Waivers have already been obtained for the majority of the affected debt instruments.

Notwithstanding the challenges and uncertainties described above, the board believes that the group has adequate financial resources and executable plans and capabilities to increase its market share in its core areas of operations.

As such, the board continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Furthermore, based on the latest forecasts and predictions, the product offering of the group and the performance of both the banking and lending segments, the board is of the opinion that the group will return to profitability and net cash generation in the medium-term.

Basis of preparation

The consolidated financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, buildings (classified as property and equipment) or when fair value of another specific measurement basis is required by specific standard and incorporate the principle accounting policies set out below. All intra-group balances within the group, income and expenses, unrealised gains and losses resulting from transactions between the group entities are eliminated in the consolidated financial statements.

1. Accounting policies

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

1.1. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, whom are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive committee members that make strategic decisions. The executive committee consists of directors and upper management. In line with the group's reporting practises each country is treated as a separate operating segment. All countries are allocated to an operational segment based on the key operations of the entity. The key operational entities are: Banking, Lending and Technology and management.

1.2. Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the company has control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Control exists when an investor is exposed or has rights to variable returns from its involvement with the investee and can affect these returns through its power over the investee. Where such exposure and power exist over an investee, the investee is accounted for as a subsidiary. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

1. Accounting policies (continued)

Business combinations

Except for the restructuring under common control, in the case of business combinations, the group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss. Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss and other comprehensive income.

Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3. Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The group's investments in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the group's share of the results of operations of the joint venture. Any change in other comprehensive income of those investees is presented as part of the group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the group and the joint venture are eliminated to the extent of the interest in the joint venture.

1. Accounting policies (continued)

The aggregate of the group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss as part of operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in the joint venture. At each reporting date, the group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the group calculates the amount of the impairment as the difference between the recoverable amount of the joint venture and it's carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of joint control over the joint venture, the group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.4. Significant judgements and sources of estimation uncertainty

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

Other receivables, loan book and other loans

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.

Other receivables and loans

Management performs impairment testing on the recoverability of loans and receivables to establish if an impairment loss or gain should be recognised on the estimated future cash flows from these financial assets. Management assesses current profitability and liquidity as well as cash flows and forecasts to determine if other receivables and loans with an entity will be recoverable.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. The fair values were calculated based on cash flows discounted using a current lending rate. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Notes to the consolidated financial statements
as at 30 June

1. Accounting policies (continued)

Impairment testing of non-financial assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill, joint venture, tangible and intangible assets.

Joint arrangements

Judgement was excised in the determination of the classification of the investment as a joint venture. Judgement was based mainly on the shareholder agreement in place which provides for the two shareholders to have joint control through unanimous decision making. Since the group has rights to the net assets of joint arrangement through its investment in equity, the joint arrangement was concluded to be a joint venture.

Taxation

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

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

1.5. 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 are tangible assets which the group holds for its own use and which are expected to be used for more than one year. Property and equipment are initially measured at cost.

Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses and buildings, which are stated at the revalued amount less accumulated depreciations and any accumulated impairment losses.

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

1. Accounting policies (continued)

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

Item	Average useful life
Buildings	20 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Leasehold improvements	Shorter of useful life and lease period

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, 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.

Buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed every three years to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Acquisition of group of assets or net assets that does not constitute the business

When the group acquires a group of assets or net assets that does not constitute a business, it allocates the cost of the group between the individual identifiable assets and liabilities based on their relative fair values at the acquisition date. Such a transaction or event does not give rise to goodwill. When purchase consideration paid for the acquisition of the group of assets includes contingent consideration, the group recognises subsequent changes to the contingent consideration in the statement of profit and loss and other comprehensive income.

1. Accounting policies (continued)

1.6. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.7. Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

A gain on bargain purchase arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire and the fair value of the non-controlling interest in the acquire over the consideration transferred. A bargain purchase represents a gain on the acquisition of the acquire and this resulting gain is recognised in the profit and loss. Cash-Generating Units (CGU) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost of disposal. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

1.8. 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. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the asset so that it will be available for use or sale;
- There is an intention to complete and use or sell it;
- There is an ability to use or sell it;
- It will generate probable future economic benefits;
- There are available technical, financial and other resources to complete the development and to use or sell the asset; and
- The expenditure attributable to the asset during its development can be measured reliably.

1. Accounting policies (continued)

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software, internally generated	5 years
Computer software, Other	3-5 years
Customer relationships	3-14 years
Core deposits	2 years
Trademarks	14 years

1.9. Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - held for trading;
- Loans and receivables;
- Available-for-sale financial assets;
- Financial liabilities at fair value through profit or loss - held for trading; and
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained/incurred and characteristics of those instruments. Management determines the classification of its financial assets/ liabilities at initial recognition.

Financial assets / liabilities at fair value through profit or loss

Financial assets / liabilities at fair value through profit or loss are financial assets / liabilities held for trading. A financial asset / liability is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets / liabilities in this category are classified as current assets/liabilities if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables / financial liabilities measured at amortised cost

Loans and receivables / financial liabilities measured at amortised cost are non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current assets / liabilities, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets/liabilities. The group's loans and receivables/financial liabilities measured at amortised cost comprise 'loans to / (from) related parties', 'other financial assets', 'loans to / (from) shareholders', 'loan book', 'other receivables', 'cash and cash equivalents', 'other financial borrowings', 'finance lease liabilities' and 'trade and other payables' in the consolidated statement of financial position.

Available for sale financial assets

Available for sale (AFS) financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in market conditions.

Notes to the consolidated financial statements
as at 30 June

1. Accounting policies (continued)

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited to the AFS reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

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 initially recognised at fair value plus transaction costs for all financial assets/liabilities not carried at fair value through profit or loss. Financial assets/ liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss and other comprehensive income. Available-for-sale financial assets and financial assets/liabilities at fair value through profit or loss are subsequently carried at fair value. Loans and receivables/ financial liabilities measured at amortised cost are subsequently carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the financial assets/liabilities at fair value through profit or loss category are presented in the consolidated statement of profit and loss and other comprehensive income within 'Other income' and 'Operating expenses' in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit and loss and other comprehensive income as part of other income when the group's right to receive payments is established

Derecognition

Gains or losses arising from changes in the fair value of the financial assets/liabilities at fair value through profit or loss category are presented in the consolidated statement of profit or loss and other comprehensive income within 'Other income' and 'Operating expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit or loss and other comprehensive income as part of other income when the group's right to receive payments is established.

Fair value determination

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 requires an entity to classify fair values measured and/or disclosed according to a hierarchy that reflects the significance of observable market inputs. The three levels of the fair value hierarchy are defined as follows:

Quoted market prices – Level 1:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Valuation technique using observable inputs – Level 2:
Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Valuation technique using significant unobservable inputs – Level 3:
Level 3 inputs are unobservable inputs for the asset or liability.

Fair value measurement and valuation processes

The group has applied valuation techniques in order to establish the fair value of its financial assets and financial liabilities. The valuation of a number of the instruments has required judgemental inputs. This is the case where no reference can be made to a quoted market price for a similar instrument, and where assumptions are made in respect of unobservable inputs.

1. Accounting policies (continued)

Offsetting financial assets and financial liabilities

Financial assets/liabilities are offset, and the net amount reported in the balance sheet 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

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 have been impaired. An emergence period concept is applied to ensure that only impairments that exist at the reporting date are captured. The emergence period is defined as the time lapse between the occurrence of a trigger event (unidentified impairment) and the impairment being identified at an individual account level (identified impairment).

A financial asset or a group of financial assets are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Criteria that are used by the group in determining whether there is objective evidence of impairment include:

- A breach of contract, such as default or delinquency in interest and/or principal payments;
- It is becoming probable that the borrower will enter bankruptcy; and
- Concessions granted from the lender to the borrower that the lender would not have considered normally.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the loan is reduced through the use of an allowance for credit losses account and the loss is recognised as a credit impairment charge in the consolidated statement of profit or loss.

If the group determines that no objective evidence of impairment exists for an individually assessed loan, whether significant or not, it includes the loan in a group of financial loans with similar credit risk characteristics and collectively assesses for impairment. Loans that are individually assessed for impairment and for which an impairment loss is recognised are not included in a collective assessment for impairment.

In order to provide for latent losses in a group of loans that have not yet been identified as specifically impaired, a credit impairment for incurred but not reported losses is recognised based on historic loss patterns and estimated emergence periods (time period between the loss trigger events and the date on which the group identifies the losses).

All significant counterparty relationships are reviewed periodically. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The impairment of loans takes into account past loss experience adjusted for changes in economic conditions and the nature and level of risk exposure since the recording of the historic losses.

The group adopts a formulaic approach to its impaired loans. A progressively higher percentage loss rate is applied the longer a customer's loan is past due and are grouped into aged categories as per note 41.

The group assesses the probability of default by making reference to historical collection data. Rehabilitated loans are non-performing loans where an outstanding amount has been collected whether partial or in full.

1. Accounting policies (continued)

Rehabilitated loans are monitored separately and are treated as either performing loans or non-performing loans based on proven subsequent performance history. Impairment losses are recognised in profit or loss. Subsequent to impairment, the effects of discounting unwind over time as interest income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the customers' credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in the consolidated statement of profit or loss and other comprehensive income. Impaired loans (and the related impairment allowance) are written off at the impaired loans earliest of when they are past due for 365 days or when there is no likelihood of recalling future payments.

The carrying value of these assets, being the present value of estimated future cash flows discounted at the respective financial assets' original effective interest rate, is disclosed as part of net advances.

The estimated recoveries on loans written off are regarded as insignificant and are recognised as a gain in the consolidated statement of profit or loss and other comprehensive income.

Loans that are either subject to collective impairment assessment or are individually significant and whose terms have been renegotiated are no longer considered to be past due but are reset to performing loan status. These loans are subject to ongoing review to determine whether they are considered impaired or past due.

Loans to/(from) shareholders

These financial assets/liabilities are classified as loans and receivables/ payables.

Loans to/(from) related parties

Loans to related parties are classified as loans and receivables. Loans from related parties are classified as financial liabilities measured at amortised cost. They are subsequently stated at amortised cost, any difference between the proceeds (net of transaction cost) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the loan using the effective interest method.

Loan book and other receivables

Loan book and other receivables are classified as loans and receivables.

Loan book and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method. 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.

Loan book and other receivables are classified as non-current assets if expected payment is more than one year.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. If collection is expected in one year or less (or in normal operating cycle of business if longer), they are classified as current liabilities. If not, they are presented as non-current liabilities.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments not subject to fair value movement with original maturities of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

All deposits with original maturity of more than three months are classified as fixed deposits.

1. Accounting policies (continued)

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value net of transaction costs incurred, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in the consolidated statement of profit or loss and other comprehensive income over the term of the borrowings using the effective interest method.

Bank overdrafts and borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date. Borrowings are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement of redemption of borrowings is recognised over the term of the borrowings on an effective interest rate basis.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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 from other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss and other comprehensive income within 'other income'. Amounts accumulated in equity are reclassified from other comprehensive income to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the consolidated statement of profit or loss and other comprehensive income within finance costs. 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 in other comprehensive income and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

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 other comprehensive income at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of profit or loss and other comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of profit or loss and other comprehensive income within finance costs.

1.10. 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respects to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1. Accounting policies (continued)

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 and withholding tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and withholding tax credits 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

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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

1.11. Leases

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

Finance leases – lessee

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

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

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

Operating leases – lessee

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

1.12. Non-current assets (disposal groups) held for sale or distribution to owners

Non-current assets / liabilities and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1. Accounting policies (continued)

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the of consolidated statement of profit or loss and other comprehensive income.

1.13. Impairment of non-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 or group of cash generating units 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.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Share capital and equity

Share capital

Ordinary shares are classified as equity. Any premium received over and above the par value of the share is classified as 'share premium' in equity.

Share premium

Proceeds from issue of shares above the nominal value is recorded as share premium. Incremental costs directly attributable to the issue of new shares or options are shown in share premium as a deduction, net of tax, from the proceeds. For equity-settled options, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

1.14. Reserves

Share application fund reserve

Proceeds received from investors for the purchases of shares not yet issued in their name are credited to the share application fund reserve and transferred to stated capital upon formal issue and registration of the purchased shares to the investor.

Share-based payment reserve

Share-based compensation benefits are provided to employees via an employee share option plan. (Refer 1.16)

Notes to the consolidated financial statements
as at 30 June

1. Accounting policies (continued)

1.15. Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share

Diluted earnings per share are determined by adjusting profit or loss attributable to ordinary equity holders of the parent entity and dividing this by the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

1.16. 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 as an expense in the consolidated statement of profit or loss and other comprehensive income, in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as another expense in the consolidated statement of profit or loss and other comprehensive income, 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 another expense in the consolidated statement of profit or loss and other comprehensive income, when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The cost of defined contribution is recognised as another expense in the consolidated statement of profit or loss and other comprehensive income.

Employee option plan

The options granted to employees under the MyBucks S.A. Employee Option Plan are potential ordinary shares. They have been included in the determination of diluted earnings per share as they have a dilutive effect.

Greenshoe option

Options granted to the underwriter are potential ordinary shares. They have been included in the determination of diluted earnings per share as they have a dilutive effect.

1.17. Revenue

Interest income

Interest is recognised, in the consolidated statement of profit or loss and other comprehensive income, using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

Dividend Income

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

Fee and commission income

Other fees and commission income, including monthly service fees, commission on insurance policies, administration and management fees, are recognised as the services are performed.

1.18. Deferred grant income

Some of subsidiaries of the group grant loans at reduced rates to certain groups of people in certain conditions under existing agreements with local communities as part of Social Responsibility Programmes and such a reduction is compensated by those communities. The group recognises the deferred grant income at the issuance of a loan. The deferred grant income is recognised as part of revenue throughout the life of loans.

1.19. Loan impairments

Impairment on loans relate to bad debts written-off and the movement in the bad debt provision from prior year.

1.20. Finance costs

All foreign exchange movements, commission, interest paid and impairments directly attributable to the earning of interest and fees on financial assets, other than the loan book, are recognised as finance costs on other financial assets.

1. Accounting policies (continued)

1.21. Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the group's directors.

1.22. Translation of foreign currencies

Foreign currency transactions

The group's consolidated financial statements are presented in Euro.

Translation from foreign to functional currency

Monetary assets and liabilities expressed in currencies other than the functional currency are translated into the respective functional currency at the spot exchange rate between foreign currency and the functional currency. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into the relevant functional currency at the spot exchange rate at the end of the respective reporting periods are recognised in the consolidated statement of profit or loss and other comprehensive income. Transactions and non-monetary assets are translated using the historic exchange rate at the date of the transaction.

Translation from functional to presentation currency

The results and financial position of entities of the group with functional currencies other than Euro are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position line are translated at the closing rate at the date of that statement of financial position;
- Income and expenses in the consolidated statement of profit or loss and other comprehensive income are translated at exchange rates at the dates of the transactions;
- Components of equity are translated at historical rates; and
- All resulting exchange differences are recognised in other comprehensive income (in the translation reserve).

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 consolidated 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 by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.

Group companies

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 exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component.

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. 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.

Exchange differences arising are recognised in other comprehensive income.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation	Impact
Amendment to IAS 7 – Cash flow statements: Statement of cash flows on disclosure initiative. Annual periods beginning on or after 1 January 2017.	The amendment required the group to provide disclosure of changes in the liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or loss or losses). The impact of this change has not had a material impact on the group.
Amendment to IAS 12 – Income taxes: Recognition of deferred tax assets for unrealised losses. Annual periods beginning on or after 1 January 2017.	The amendment clarified that the group needed to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendment provided guidance on how to determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The impact of this change has not had a material impact on the group.
Annual improvements 2014-2016 Amendment to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12. Annual periods beginning on or after 1 January 2017	The amendment clarified that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. As at 30 June 2018 the group has classified its interest in two wholly-owned subsidiaries, as held for sale (see note 14), but these amendments did not affect the group's consolidated financial statements.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 July 2018 or later periods:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The group plans to adopt the new standard on the required effective date using the full retrospective method. During 2018, the group performed a preliminary assessment of IFRS 15, which was continued with a more detailed analysis to follow in 2019. The group is in the business of providing financial services and technology and do not expect a material change in the results.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The group plans to adopt the new standard on the required effective date and will not restate comparative information. During 2018, the group has performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on current available information and may be subject to changes arising from further reasonable and supportable information being made available to the group in 2019 when the group will adopt IFRS 9. Overall, the group expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9. The group expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. In addition, the group will implement changes in classification of certain financial instruments.

(a) Classification and measurement

The group does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

The equity shares in non-listed companies are intended to be held for the foreseeable future. No impairment losses were recognised in profit or loss during prior periods for these investments. The group will apply the option to present fair value changes in other comprehensive income, and, therefore, the application of IFRS 9 will not have a significant impact.

Loan book, other financial assets as well as other receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment

IFRS 9 requires the group to record expected credit losses on all its loan books, other financial assets as well as other receivables, either on a 12-month or lifetime basis. The group will apply the simplified approach and record lifetime expected losses on all receivables. The group has determined that, due to the unsecured nature of its loans and receivables, the loss allowance will increase with a range between 3% and 7% with corresponding related decrease in the deferred tax liability where appropriate.

2.2 Standards and interpretations not yet effective (continued)

(c) Hedge accounting

As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of IFRS 9 will not have a significant impact on group's financial statements.

(d) Other adjustments

In addition to the adjustments described above, on adoption of IFRS 9, other items of the primary financial statements such as deferred tax, assets held for sale and liabilities associated with them, investments in the joint venture, will be adjusted as necessary. The exchange differences on translation of foreign operations will also be adjusted.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The group will apply these amendments when they become effective.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas:

- the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
- and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The group is assessing the potential effect of the amendments on its consolidated financial statements.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

2.2 Standards and interpretations not yet effective (continued)

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.
In 2018, the group will continue to assess the potential effect of IFRS 16 on its consolidated financial statements.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is being considered by the group, however the group does not expect a material impact from this standard.

Transfers of Investment Property — Amendments to IAS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight. Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed. The group will apply amendments when they become effective. However, since group's current practice is in line with the clarifications issued, the group does not expect any effect on its consolidated financial statements.
Annual Improvements 2014-2016 Cycle (issued in December 2016)

These improvements include:
IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters.

Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. The amendment is effective from 1 January 2018. This amendment is not applicable to the group.

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice.

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

2.2 Standards and interpretations not yet effective (continued)

- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact. These amendments are not applicable to the Group.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018.

An entity may elect the overlay approach when it first applies IFRS 9 and apply that approach retrospectively to financial assets designated on transition to IFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying IFRS 9. These amendments are not applicable to the group.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the interpretation; Or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the group's current practice is in line with the interpretation, the group does not expect any effect on its consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

2.2 Standards and interpretations not yet effective (continued)

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The group will apply interpretation from its effective date. Since the group operates in a complex multinational tax environment, applying the interpretation may affect its consolidated financial statements and the required disclosures. In addition, the group may need to establish processes and procedures to obtain information that is necessary to apply the interpretation on a timely basis.

3. Reclassifications

In addition to reclassifications required by the accounting standards (assets/liabilities held for sale and discontinued operations, note 14) the group reclassified certain elements of the consolidated statements of financial position and the consolidated statement of profit or loss and other comprehensive income for the comparative period ended 30 June 2017 in order to better present its financial situation and financial performance.

During the current year, the selling expenses were separated from other categories as disclosed previously. This has resulted in the reclassification of the prior year disclosure.

Please refer the respective notes for the details.

	2017			
	As reported	**Classified to discontinued operations**	**Reclassified**	**As reclassified**
Revenue	53,773,404	(357,420)	2,375,360	55,791,344
Loan book impairment charges	(12,039,736)	392,975	(547,679)	(12,194,440)
Other income	6,191,698	(13)	319,921	6,511,606
Employee costs	(13,907,805)	251,853	-	(13,655,952)
Depreciation, amortisation and other impairments	(2,520,109)	1,622	-	(2,518,487)
Consulting and professional fees	(4,893,710)	33,923	-	(4,859,787)
Selling expenses	-	-	(4,699,953)	(4,699,953)
Operating expenses	(15,665,672)	154,738	2,546,685	(12,964,249)
Investment revenue	2,683,535	-	-	2,683,535
Finance costs	(21,311,705)	(20,350)	5,666	(21,326,389)
Taxation	(3,428,701)	-	-	(3,428,701)
Loss after taxation from continued operations	(11,118,801)	457,328	-	(10,661,473)
Discontinued operations	(1,895,349)	(457,328)	-	(2,352,677)
Loss after taxation	**(13,014,150)**	**-**	**-**	**(13,014,150)**
Other receivables	33,722,296	-	(19,067,384)	14,654,912
Fixed deposits	-	-	19,067,384	19,067,384
Other financial receivables	484,121	-	(135,473)	348,648
Loans to related parties (current)	10,204,601	-	135,473	10,340,074

Notes to the consolidated financial statements
as at 30 June

4. Property and equipment

	2018				2017		
Figures in €	Cost	Revaluation	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Land	1,685,216	250,028	-	1,935,244	1,810,885	-	1,810,885
Buildings	7,852,013	965,011	(543,335)	8,273,689	1,742,699	(207,126)	1,535,573
Furniture and fixtures	1,866,317	-	(1,040,322)	825,995	1,492,610	(974,390)	518,220
Motor vehicles	1,637,242	-	(1,076,128)	561,114	1,501,436	(1,014,406)	487,030
Office equipment	2,137,144	-	(1,423,624)	713,520	2,277,507	(1,259,684)	1,017,823
IT equipment	1,591,927	-	(1,135,742)	456,185	1,466,449	(1,059,119)	407,330
Leasehold improvements	1,031,560	-	(784,097)	247,463	1,121,468	(800,720)	320,748
Work-in-progress	881,409	-	-	881,409	4,930,959	-	4,930,959
	18,682,828	**1,215,039**	**(6,003,248)**	**13,894,619**	**16,344,013**	**(5,315,445)**	**11,028,568**

Notes to the consolidated financial statements
as at 30 June

4. Property and equipment (continued)

Reconciliation of property and equipment for 30 June 2018:

Figures in €	**Opening balance**	**Additions**	**Revaluations**	**Disposals**	**Foreign exchange movement**	**Other changes, reclassifications**	**Depreciation**	**Interest capitalised**	**Carrying value**
Land	1,810,885	-	250,028	-	(125,669)	-	-	-	1,935,244
Buildings	1,535,573	1,485,888	965,011	-	(496,324)	4,930,959	*(299,498)	152,080	8,273,689
Furniture and fixtures	518,220	273,112	-	(30,579)	(43,368)	291,281	(182,671)	-	825,995
Motor vehicles	487,030	421,881	-	(139,170)	(18,770)	-	(189,857)	-	561,114
Office equipment	1,017,823	232,553	-	(307,894)	(46,200)	64,686	(247,448)	-	713,520
IT equipment	407,330	390,872	-	(167,834)	46,256	15,978	(236,417)	-	456,185
Leasehold improvements	320,748	37,253	-	-	(6,266)	(15,966)	(88,306)	-	247,463
Work-in-progress	4,930,959	1,237,762	-	-	(374)	(5,286,938)	-	-	881,409
	11,028,568	**4,079,321**	**1,215,039**	**(645,477)**	**(690,715)**	**-**	**(1,244,197)**	**152,080**	**13,894,619**

*Included in the depreciation of buildings is €35,035 depreciation directly in the statement of changes in equity on the revaluation reserve on buildings.

Reconciliation of property and equipment for 30 June 2017

Figures in €	Opening balance	Additions	Addition through business combination	Disposals	Foreign exchange movement	Other changes, reclassifications	Depreciation	Interest capitalised	Carrying value
Land*	-	**1,240,422	614,163	-	(44,390)	690	-	-	1,810,885
Buildings*	641,523	-	860,460	-	70,876	-	(37,286)	-	1,535,573
Furniture and fixtures	375,775	95,066	189,891	(12,489)	3,255	29,069	(162,347)	-	518,220
Motor vehicles	259,296	97,901	336,357	(13,743)	(2,284)	-	(190,497)	-	487,030
Office equipment	96,735	439,548	650,400	(9,788)	(16,096)	66,043	(209,019)	-	1,017,823
IT equipment	158,276	249,733	232,521	(17,198)	(18,305)	11,984	(209,681)	-	407,330
Leasehold improvements	155,811	162,576	321,936	(79,893)	(5,124)	(107,786)	(126,772)	-	320,748
Work in progress	-	**4,723,833	-	-	(55,757)	-	-	262,883	4,930,959
	1,687,416	**7,009,079**	**3,205,728**	**(133,111)**	**(67,825)**	**-**	**(935,602)**	**262,883**	**11,028,568**

**During the 2017 financial year, an operational head quarter under construction was acquired in South Africa through the asset acquisition of Lyngreen Properties (Pty) Ltd. Construction was completed on 1 October 2017.

Notes to the consolidated financial statements

as at 30 June

4. Property and equipment (continued)

Property and equipment encumbered as security

Refer to note 22 for details of property and equipment encumbered as security for finance lease borrowings.

Capitalised borrowing costs

The group acquired the building under construction for the South African operational head office in 2017. This building construction was completed on 1 October 2017. The rate used to determine the amount of borrowing costs eligible for capitalisation was the rate as charged on the borrowing cost.

Revaluation of office properties

Management determined that the office properties constitute a separate class of property and equipment, based on the nature, characteristics and risks of the property. The fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the dates of revaluation on 30 June 2018, the properties' fair values are based on valuations performed by The Property Partnership, an accredited independent valuer who has valuation experience for similar office properties in South Africa since 1987. A net gain from the revaluation of the office properties of €956 thousand in 2018 was recognised in other comprehensive income.

5. Investment properties

	2018	
Figures in €	**Cost**	**Carrying value**
Land and buildings	461,469	461,469
	461,469	**461,469**

Reconciliation of investment properties for 30 June 2018:

Figures in €	Opening balance	Additions	Foreign exchange movement	Total
Land and buildings	-	451,993	9,476	461,469
	-	**451,993**	**9,476**	**461,469**

GetBucks Financial Services Limited in Zimbabwe purchased investment properties during the year which are held for both capital appreciation and rentals. Investment properties are carried at fair value determined on an open market basis by an independent professional valuer as at 30 June 2018 in accordance with the Royal institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards.

There was not rental income generated from the investment properties during the year and there were no direct operating expenses (including repairs and maintenance) arising from investment properties.

Notes to the consolidated financial statements

as at 30 June

6. Intangible assets

	2018			2017		
Figures in €	**Cost**	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Trademarks	-	-	-	1,692,537	(90,672)	1,601,865
Computer software, internally generated	4,574,746	(2,178,748)	2,395,998	3,418,534	(1,268,261)	2,150,273
Computer software, other	2,440,039	(869,634)	1,570,405	926,937	(728,860)	198,077
Customer relationships	2,802,663	(1,013,053)	1,789,610	2,874,051	(649,277)	2,224,774
Core deposits	85,237	(74,583)	10,654	85,237	(31,964)	53,273
	9,902,685	**(4,136,018)**	**5,766,667**	**8,997,296**	**(2,769,034)**	**6,228,262**

Impairment of intangible assets

The intangible assets were assessed to establish whether there were indicators of impairment. Software and customer relationships were impaired during the year. In the current year customer relations was impaired to the recoverable amount and computer software that was deemed redundant.

Notes to the consolidated financial statements

as at 30 June

6. Intangible assets (continued)

Reconciliation of intangible assets for 30 June 2018:

Figures in €	Opening balance	Additions	Reallocation to held for sale	Disposals	Foreign exchange movement	Other changes, reclassifications	Amortisation	Impairments	Carrying value
Trademarks (note 15)	1,601,865	-	-	(1,521,268)	-	-	(80,597)	-	-
Computer software, internally generated	2,150,273	1,421,290	(228,564)	-	(91,586)	76,234	(814,345)	(117,304)	2,395,998
Computer software, other	198,077	1,475,900	-	(10,222)	17,244	-	(110,594)	-	1,570,405
Customer relationships	2,224,774	-	-	-	(41,167)	-	(250,459)	(143,538)	1,789,610
Core deposits	53,273	-	-	-	-	-	(42,619)	-	10,654
	6,228,262	**2,897,190**	**(228,564)**	**(1,531,490)**	**(115,509)**	**76,234**	**(1,298,614)**	**(260,842)**	**5,766,667**

Reconciliation of intangible assets for 30 June 2017:

Figures in €	Opening balance	Additions through business combinations	Addition	Disposals	Foreign exchange movement	Other changes, reclassifications	Amortisation	Impairments	Carrying value
Trademarks (note 15)	-	1,692,537	-	-	-	-	(90,672)	-	1,601,865
Computer software, internally generated	1,546,811	991,515	247,685	(32,455)	23,632	(32,010)	(594,905)	-	2,150,273
Computer software, other	117,012	9,457	167,293	(17,985)	1,776	32,010	(70,592)	(40,894)	198,077
Customer relationships	737,081	-	1,701,790	-	68,319	-	(282,416)	-	2,224,774
Core deposits	-	-	85,237	-	-	-	(31,964)	-	53,273
	2,400,904	**2,693,509**	**2,202,005**	**(50,440)**	**93,727**	**-**	**(1,070,549)**	**(40,894)**	**6,228,262**

Notes to the consolidated financial statements

as at 30 June

7. Goodwill

Figures in €		Cost	Accumulated impairment	Carrying value
Goodwill	2018	3,207,381	(204,521)	3,002,860
Goodwill	2017	3,236,895	(181,533)	3,055,362

Reconciliation of goodwill for 30 June 2018:

Figures in €	Opening balance	Additions	Foreign exchange movements	Carrying value
Goodwill	3,055,362	-	(52,502)	3,002,860

Reconciliation of goodwill for 30 June 2017:

Figures in €	Opening balance	Additions	Foreign exchange movements	Carrying value
Goodwill	744,452	2,243,632	67,278	3,055,362

Cash generating units are defined as separate legal entities. The carrying value of goodwill reported is composed as follows:

Figures in €	Acquisition date	Carrying value 2018	Carrying value 2017
GetSure Botswana Proprietary Limited	01-Jul-13	36,520	36,520
GetSure South Africa Proprietary Limited	01-Jul-14	225,053	241,402
Komo Finance Proprietary Limited	01-Jun-15	497,655	533,808
Fair Go Finance (Proprietary) Limited	12-Jan-17	2,243,632	2,243,632
		3,002,860	**3,055,362**

The differences in the carrying value of goodwill between 2018 and 2017 relates to foreign exchange differences. Goodwill is tested for impairment annually. The following tables set out the key assumptions for the CGU's that have significant goodwill allocated to them.

FairGo Finance (Proprietary) Limited	**2018**	**2017**
Disbursement growth (%)	5	5
Operating cost less other income to revenue ratio (%)	54	54
Revenue to disbursement (%)	25	20 – 25
Discount rate (%)	8.90	8.90
Dividend pay-out ratio (%)	50	50
Long-term growth rate (%)	2.65	2.65

Management has determined the values assigned to each of the key assumptions as follows:

Disbursement growth:	The 2019 disbursement growth is estimated at 50%, thereafter it normalises at 5% over a four-year forecast period. These assumptions were made based on past performance and management's expectations of market developments.
Operating cost to revenue	Average annual cost as a fixed percentage of revenue over a five-year period, based on past performance and management's expectations.
Revenue to disbursement	Average annual ratio over a five-year period, as a percentage based on past performance and management expectations.
Discount rate:	Is based on cost of equity.
Dividend pay-out ratio:	Relates to the % of profits to be distributed for each of the five years.
Long-term growth rate:	The long-term growth rate reflects the local Australian inflation rate for the five-year forecast period.

7. Goodwill (continued)

Management has determined the values assigned to each of the key assumptions as follows:

Komo Finance Proprietary Limited	2018	2017
Sales growth (%)	(18)	9
Revenue growth (%)	(1)	9
Operating costs (%)	20	9
Net profit before tax (%)	(11)	9
Discount rate (%)	14.2	14.2

GetSure South Africa Proprietary Limited	2018	2017
Sales growth (%)	(18)	9
Revenue growth (%)	(54)	9
Operating costs (%)	(36)	9
Net profit before tax (%)	(67)	9
Discount rate (%)	14.2	14.2

Sales growth:	Average annual growth rate over a five-year forecast period. Based on past performance and management's expectation of market developments.
Revenue growth:	Average annual growth rate over a five -year forecast period. Based on past performance and considering the growth in the sales volumes.
Operating costs:	Average annual costs over a five -year period. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructuring or cost savings measures.
Net profit before tax:	Average annual growth rate over a five -year forecast period. Based on past performance and management's expectation of market developments.
Discount rate:	Based on management's expectation of the probability of default on the existing loan book. An additional risk premium has been brought into account, based on expected future market conditions.

Management believes that any reasonable change in the key assumptions used in determining the recoverable amount of the entities would not result in the carrying amount exceeding the recoverable amount.

Management has reviewed the recoverability by applying the value-in-use calculations. The value-in-use calculations have made use of pre-tax cash flow projections based on financial budgets approved by management.

8. Related party loans

Loans to related parties	2018		2017	
Figures in €	**Non-current**	**Current**	**Non-current**	**Current**
Ecsponent Financial Services Limited (Zambia)				
The loan bears interest at 30% and is repayable in January 2019	-	372,053	-	-
Ecsponent Limited (South Africa)				
The loan bears interest at 20% per annum with no fixed repayment terms.	-	435,724	-	-
SureChoice Proprietary Limited (Botswana)				
The loan bears interest at 28% per annum. The loan was repaid in July 2018.	-	2,369,833	4,372,429	-
Ecsponent Projects Proprietary Limited (Botswana)				
The loan bears interest at 20% with a tenor of 18 months.	-	718,379	-	-
Ecsponent Projects Proprietary Limited (South Africa)				
The loan bears interest at 14.5% (2017: 28%) and is repayable in 24 equal instalments from June 2018.	614,608	845,245	-	2,270,358
The loan bared interest at 28% and was repaid in November 2017.	-	-	-	1,697,161
Fintech Campus Proprietary Limited				
The loan carries interest at 10% with no fixed repayment terms.	-	1,322,576	-	135,473
Stela Walsh Proprietary Limited				
The loan bears interest at 5% and is repayable in December 2022	460,954	-	456,305	-
Labour College Proprietary Limited				
The loan bears interest at 7% and matures on 31 March 2019.	-	155,607	250,088	-
MHMK Group Limited				
The loan is repayable in December 2018 and bears interest at 0% (2017: 7.5%).	-	4,191,975	-	3,229,942
Stodaflo Proprietary Limited				
The loan bears no interest and was repaid in July 2018.	-	412,690	-	-
GetBucks SMME Lending Proprietary Limited				
The loan bears interest at 22% and is repayable on demand with 3 months' notice in 6 equal instalments.	-	1,423,476	-	-
Tsepo Finance Proprietary Limited				
The loan is unsecured, bears interest at 28% and is repayable in instalments with a 3-month call option.	-	134,060	-	-
Serengeti Capital Limited				
The loan is unsecured, bears no interest and was written off in June 2018.	-	-	91,349	-
Michael Hodgkiss				
The loan is unsecured and bears no interest. The loan was repaid in June 2018.	-	-	-	16,318
Brainworks Capital Management Limited				
The loan is unsecured and bears interest at 18% per annum and was repaid in May 2018.	-	-	-	2,671,226
The loan is unsecured and bears no interest and was repaid in June 2018.	-	-	67,410	-
The loan is unsecured and bears interest at 25%. The loan was repaid in April 2018.	-	-	-	319,596
	1,075,562	**12,381,618**	**5,237,581**	**10,340,074**

8. Related party loans (continued)

Loans from related parties	2018		2017	
Figures in €	Non-current	Current	Non-current	Current
Ecsponent Treasury Services Proprietary Limited (Swaziland)				
The loan is unsecured, bears interest at 28% (2017: 30%). The short-term facility is repayable in 90 days (interest of 30%), whilst the long-term facility is repayable in equal monthly instalments.	6,430,037	3,271,912	5,356,064	978,278
Ecsponent Treasury Services Proprietary Limited (South Africa)				
The loan is secured by the South African loan book, bears interest at 22% (2017: 28%) per annum and is repayable in 36 equal monthly instalments.	1,649,153	2,357,468	11,733,721	2,545,601
This is an upfront restructuring fee which will realise over 36 months.	-	-	178,800	38,790
The loan is secured by the South African loan book, bears interest at 22% (2017: 30%).	78,021	62,417	-	1,434,645
Ecsponent Financial Services Limited (Zambia)				
The loan bears interest at 30% and was repaid in March 2018.	-	-	172,314	-
RBC CEES Trustee Limited				
The loan is secured, bears interest at 22.5% per annum and is repayable by 31 December 2024. €4,376,521 bared interest at 25% per annum and was repaid in September 2017.	8,555,052	-	8,788,994	4,376,521
Vanguard Holdings Limited				
The loan is unsecured and bears interest at 14.5% per annum. There are no fixed terms of repayment.	-	6,872	-	6,382
Wheatfields (Proprietary) Limited				
The loan is unsecured, bears interest at 14.5% per annum and was repaid in February 2018.	-	-	-	282,461
Opportunity International U.S.A.				
The loan bears no interest and is repayable in July 2018.	-	10,694	-	356,327
The loan bears interest at 10% and was repaid in full during the year.	-	-	-	236,078
The loan has a two-year repayment period and interest of 2%.	-	41,064	41,222	-
The loan has a two-year repayment period and interest of 2%.	-	173,810	-	93,547
Finsbury Investments Limited				
The loans bear interest at 3% and is repayable in June 2020.	2,863,820	-	-	-
New Finance Bank Limited				
This is a rolling facility with no fixed terms of repayment nor interest.	-	2,199,543	-	-
	19,576,083	*8,123,780*	*26,271,115*	*10,348,630*

8. Related party loans (continued)

Loans from related parties	2018		2017	
Figures in €	Non-current	Current	Non-current	Current
From previous page	*19,576,083*	*8,123,780*	*26,271,115*	*10,348,630*
Bridgeport 089 Proprietary Limited				
The loan is unsecured, bears no interest with no fixed repayment terms. The loan can be called with 12-month notice.	369,080	-	500,478	-
Carcharias Holdings Limited				
The loan bears interest at 12% per annum repaid in July 2017.	-	-	51,988	-
	19,945,163	**8,123,780**	**26,823,581**	**10,348,630**

Loans from shareholders	2018		2017	
Figures in €	Non-current	Current	Non-current	Current
Sunblaze Investment Holdings Limited				
The loan is unsecured and bears interest at 14.5% per annum. There are no fixed terms of repayment.	-	542,798	-	559,347
Tailored Investments Limited				
The loan is unsecured and bears interest at 14.5% per annum. The current portion is due by 31 October 2018 and the non-current portion is due on 30 April 2020.	594,418	1,228,582	-	414,653
The loan bears interest at 8.5% and was converted into Vienna bonds during July 2017. These bonds are payable on 11 April 2020. Discount of 15% were given on this bond conversion.	-	-	-	3,800,000
	594,418	**1,771,380**	**-**	**4,774,000**

Credit quality of loans

None of the shareholders and related party loans are past due and no objective evidence of impairment of any of the loans have been identified. The maximum exposure to credit risk at the reporting date is the fair value of each loan. The group does not hold any collateral as security. The fair value of the loans is disclosed in the note 39.

9. Investment in joint venture

The group acquired a 50% interest in New Finance Bank Limited (NFB) in Malawi a TIER I deposit taking entity which focusses on the un-banked in Malawi. The investment was acquired for €5 million funded through a loan from Finsbury Investment Limited amounting to €4.2 million (USD5 million) as well as participation in rights issue amounting to €1.5 million (USD1.75 million) and the group made a contribution of the loan book of GetBucks Malawi.

The group's interest is accounted for using the equity method in the consolidated financial statements as the group together with Finsbury Investments Limited have equal ownership in NFB. The shareholders entered into a contractual agreement indicating that both shareholders have equal rights in NFB, therefore control does not vest with any one shareholder but rather both shareholders. Therefore, the group accounts for NFB as a joint venture. Final approvals for the acquisition was obtained 1 October 2017. The results below represent a 9-month period for inclusion in the group results.

Cost of investment and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

9. Investment joint venture (continued)

Figures in €	2018
Net assets acquired	295,605
Goodwill	4,693,223
Carrying value at acquisition (total consideration)	**4,988,828**
Profit for the period	110,752
Deferred loan book realisation	419,421
Profit for the year	**530,173**
Elimination adjustments	(340,052)
Closing balance	**5,178,949**

Summarised financial information of the joint venture based on its IFRS financial statements:

Summarised statement of financial position in €		2018
Non-current assets		**38,088,738**
Fixed deposits	(a)	1,768,130
Loan book		5,427,188
Financial investments	(a)	26,450,227
Deferred tax		1,967,631
Other assets		2,475,562
Current assets		**17,823,667**
Cash & cash equivalents		5,021,935
Other receivables		2,722,669
Loan book		10,079,063
		55,912,405
Non-current liabilities		**7,075,832**
Other financial borrowings	(b)	7,075,832
Current liabilities		**44,253,597**
Deposits from customers	(c)	38,340,336
Other payables		254,282
Other financial borrowings	(b)	5,658,979
		51,329,429
Total net assets		**4,582,976**

Notes to the consolidated financial statements
as at 30 June

9. Investment joint venture (continued)

a) Fixed deposits and financial investments are held as security on the deposits from customers per the compliance requirements of the Malawian central bank.
b) Other financial borrowings bear interest at average 91 T-Bill rate plus 3%. These borrowings were converted into listed bonds subsequent to year end with monthly repayments for 36 months.
c) Customer deposits bears interest at local Malawian interest rates.

Summarised statement of profit and loss and other comprehensive income in €	2018
Revenue	3,796,264
Loan impairments	(789,994)
Professional fees	(91,062)
Depreciation, amortisation and other impairments	(384,721)
Employee costs	(1,521,519)
Other operating expenses	(1,364,307)
Sales expense	(666,192)
Other income	3,722,938
Operating profit	**2,701,407**
Investment income	412,053
Finance costs	(3,144,887)
Profit before taxation	**(31,427)**
Taxation	252,932
Profit after taxation	**221,505**
Other comprehensive income	-
Total profit and other comprehensive income	**221,505**
Group's share of profit (50%)	**110,752**

Summarised statement of cash flow in €	2018
Cash flow from discontinued operations	
Cash flows from operating activities	(30,526,791)
Cash flows from investing activities	(358,921)
Cash flows from financing activities	34,249,483
	3,363,771

No dividends were declared during the period. Distribution of dividends requires the approval of both shareholders.

Commitments and guarantees issued

The joint venture has undrawn customer overdraft facilities available amounting to €843 thousand (MKW 715 million) and issued guarantees amounting to €32 thousand (MKW 27 million)

Acquisition of Pride Malawi operations

Subsequent to year end, NFB acquired the loan book (MWK 372 million), intangible assets (MWK 21 million) and branch network (MWK 84 million) of Pride Malawi for an amount of €562 thousand.

Risk associated with NFB

The group is exposed to foreign currency risk as the underlying investment is denominated in Malawian Kwacha.

10. Financial investments

Figures in €	2018	2017
Listed investments		
Treasury bills (Zimbabwe)	1,643,853	-
	1,643,853	-
Unlisted investments		
Total unlisted investments	76,016	-
	76,016	-
Total financial investments	**1,719,869**	**-**

The treasury bills in Zimbabwe have a yield rate of 5% and mature on 20 June 2019. The group intends to hold the investment until maturity.

11. Deferred tax

Figures in €	2018	2017
Deferred tax asset	3,511,661	2,374,348
Deferred tax liability	(208,328)	(67,860)
	3,303,333	**2,306,488**

The deferred tax assets and liabilities will be recovered in more than twelve months.

Reconciliation of deferred tax		
Balance at beginning of year	2,306,488	3,395,121
Increases /(decrease) in tax loss available for set off against future taxable income	1,433,937	(1,041,509)
Originating and reversing of temporary differences - other	(93,831)	(486,930)
Originating and reversing of temporary differences - loan book impairments	(200,343)	262,060
Originating and reversing of temporary differences - unrealised expenses	14,654	143,824
Foreign exchange movements	(157,572)	175,790
Balance arising from acquisitions	-	(141,868)
	3,303,333	**2,306,488**

Recognition of deferred tax asset

Deferred tax assets are recognised for tax losses that are carried forward to the extent that the realisation of the related tax benefit through future taxable profit is probable. The group did not recognise deferred tax assets of €5,311,579 (2017: €2,990,081) in respect of losses amounting to €29,682,102 (2017: €11,424,611) that can be carried forward against future taxable income.

The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets of their subsidiaries. MyBucks expects its group companies to evolve its operations further thereby, increasing the underlying profitability on the back of efficiencies and thus generate excess profits. These excess profits will allow the group to benefit from the deferred tax assets generated by offsetting the losses incurred to date against future taxable income.

Notes to the consolidated financial statements
as at 30 June

11. Deferred tax (continued)

Deferred tax assets on accumulated losses that has been raised:

South Africa	A deferred tax asset of €1,113,888 (2017: €231,330) was recognised on accumulated tax losses. Assessed losses do not expire in South Africa.
Mozambique	A deferred tax asset of €438,833 (2017: €Nil) was raised on the accumulated losses. Accumulated losses expire after 5 years.

Utilisation of deferred tax asset Figures in €	2018	2017
Opening balance	2,306,488	3,395,121
Deferred tax assets recognised/(reversed)/(utilised)	1,125,574	(1,122,484)
Acquired through business combination	-	(141,868)
Foreign exchange movements	(128,729)	175,719
	3,303,333	**2,306,488**

12. Loan book

Figures in €	2018	2017
Loan book advances	96,241,580	85,837,293
Provision for impairment on loan book advances	(10,518,650)	(17,310,365)
	85,722,930	**68,526,928**
Current and non-current portion of loan book		
Non-current portion	38,307,277	22,784,603
Current portion	47,415,653	45,742,325
	85,722,930	**68,526,928**
Reconciliation of provision for impairment on loan book advances		
Opening balance	17,310,365	11,508,450
Amounts written off as uncollectable	(10,272,551)	(6,826,209)
Additional impairment recognised (note 27)	4,356,472	8,857,289
Amounts recovered during the year	(186,879)	-
Foreign currency translation impact	(688,757)	(118,787)
Acquired through business combinations	-	3,889,622
	10,518,650	**17,310,365**

13. Fixed deposits

Figures in €	2018	2017
Non-current	2,584,068	-
Current	10,518,900	19,067,384
	13,102,968	**19,067,384**

The fixed cash deposits are held as security in relation to local overdraft facilities and bank borrowings for various subsidiaries within the group (in some cases cross border guarantees are issued whereby cash in other jurisdictions are used as collateral). The deposits are pledged until the maturity of the respective borrowings. The contractual maturity of these short-term deposits does not always match the maturity period of the loans for which the deposits have been pledged as security. The loans are, however encumbered and as such will continue to serve as security for this specific borrowing for which they have been pledged. Fixed deposits are also used as security on customer deposits.

14. Assets/liabilities held for sale and discontinued operations

From 30 January 2017, lending operations in Spain were completely discontinued. The offices have been closed and the business unit no longer employs staff.

In December 2017, the board of directors decided to dispose of the investment in Poland and concentrate on other markets. GetBucks Poland Z is classified as a held for sale liability and a discontinued operation. The board started to actively identify a potential buyer for the investment. No offers have yet been received, the amount stated represents fair value. The costs to sell is negligible.

On 25 June 2018, the board received an offer for the investment in OTM Mobile Proprietary Limited. The board has accepted the offer and therefore classified the business as an asset held for sale as at 30 June 2018. Assets and liabilities are carried fair value less costs to sell.

Some smaller companies are in the process of liquidation and were included in the discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

The amounts below reflect the summary of all discontinued operations:

Figures in €	GetBucks Poland	OTM Mobile (Pty) Ltd	Other discontinued operations	Total 2018	Total 2017
Assets of disposal group					
Property, equipment and intangible assets	906	228,564	-	229,470	609
Loans and advances to customers	72,537	-	-	72,537	-
Other assets	45,872	25,730	901	72,503	14,873
Cash and cash equivalents	14,987	726	28,906	44,619	1,844
Total assets	**134,302**	**255,020**	**29,807**	**419,129**	**17,326**

14. Entities held for sale and discontinued operations (continued)

Figures in €	GetBucks Poland	OTM Mobile (Pty) Ltd	Other discontinued operations	Total 2018	Total 2017
Liabilities of disposal group					
Liabilities	**(230,810)**	**(152,351)**	**(358)**	**(383,519)**	**(2,389,650)**
Total equity	**(96,508)**	**102,669**	**29,449**	**35,610**	**(2,372,324)**
Profit or loss					
Revenue	598,804	-	3,799	602,603	421,709
Impairment of loans	(666,478)	-	417	(666,061)	(1,504,998)
Other income	27,376	12,819	390,084	430,279	13
Other expenses	(663,799)	(197,438)	(197,854)	(1,059,091)	(949,076)
Investment revenue	-	-	-	-	20,403
Net finance charges	(101,507)	-	(14)	(101,521)	-
Profit/(loss) before taxation	**(805,604)**	**(184,619)**	**196,432**	**(793,791)**	**(2,011,949)**
Taxation	(198,977)	-	-	(198,977)	(340,728)
Profit/(loss) after taxation	**(1,004,581)**	**(184,619)**	**196,432**	**(992,768)**	**(2,352,677)**
Profit / (loss) for the year from discontinued operations	**(1,004,581)**	**(184,619)**	**196,432**	**(992,768)**	**(2,352,677)**
Cash flow from discontinued operations					
Cash flows from operating activities	(455,546)	10,597	42,010	(402,939)	(30,867)
Cash flows from investing activities	(636)	(77,206)	825	(77,017)	950
Cash flows from financing activities	-	59,059	-	59,059	28,000
	(456,182)	**(7,550)**	**42,835**	**(420,897)**	**(1,917)**

15. Other receivables

Figures in €	2018	2017
Non-financial assets		
Prepayments	2,187,143	5,162,913
Deposits	-	201,621
Indirect taxes	2,764,980	2,047,439
	4,952,123	**7,411,973**
Financial assets		
Insurance receivable	249,739	386,490
Payroll lending receivable	2,376,134	4,042,552
Sundry receivable	7,918,354	2,813,897
	10,544,227	**7,242,939**
	15,496,350	**14,654,912**

During the 2018 financial year amounts totalling €747,592 (2017: €473,064) were impaired based on annual impairment testing performed.

Trademarks acquired:
During the 2017 financial year the group entered into an agreement with Opportunity International Inc., an associated company, for the rights to use the brand name “Opportunity” for a period of 14 years and for financing commitments for five years. 250,000 shares were issued as consideration at the market value of €18.90 per share. Through this agreement the following was acquired:

Trademark (note 6)	1,692,537
Prepayment on network fees (included in prepayments)	197,463
Prepayments on fund raising fees (included in prepayments)	2,835,000
	4,725,000

The extraordinary general meeting (EGM) held on 20 February 2018 approved the cancellation of the trademark agreement as well as the 250,000 shares issued as consideration to Opportunity International Inc. The trademark asset and prepayments were derecognised and amounts previously written off to statement of profit or loss and other comprehensive income (realisation of prepayments and amortisation of trademark asset) were reversed.

16. Other financial assets

Figures in €	2018	2017
This loan matures in November 2018 and bears interest at 17%.	224,104	81,587
This loan bears interest at 22% and has a 14-day call.	124,355	-
This loan has no fixed terms for repayment and interest at 6.5%. This loan was impaired.	-	57,497
This loan bears interest at 25% and was repaid in December 2017.	-	209,564
	348,459	**348,648**

During the 2018 financial year €57,497 was impaired based on annual impairment testing performed.

17. Current tax receivable / (payable)

Figures in €	2018	2017
Taxation paid in advance	776,108	782,115
Taxation payable	(940,199)	(1,282,512)
	(164,091)	**(500,397)**
Reconciliation of movement		
Opening balance	(500,397)	(965,063)
Income taxation charged for the year (note 36)	(4,096,817)	(2,759,382)
Taxation paid	4,260,929	3,211,401
Acquired through business combination	-	209,916
Other adjustments	172,194	(197,269)
	(164,091)	**(500,397)**

18. Cash and cash equivalents and bank overdraft

Figures in €	2018	2017
Bank balances	11,415,556	13,912,638
Cash on hand	1,081,411	-
Cash in transit	-	1,137,898
Short-term deposits and call accounts (less than 90 days)	540,002	-
Bank overdraft	(988,499)	(4,366,968)
	12,048,470	**10,683,568**

19. Share capital and other reserves

Figures in €	2018	2017
Share capital		
Authorised		
15,998,000 ordinary par value shares	15,998,000	15,998,000
Issued:		
Reconciliation of number of shares issued:		
Opening balance	11,665,612	10,998,000
Cancellation of shares (note 15)	(250,000)	-
Issue of shares - ordinary shares	1,300,000	667,612
12,715,612 par value shares of €1 each, fully paid (2017: 11,665,612)	**12,715,612**	**11,665,612**

Share premium		
Opening balance	19,348,748	8,413,279
Share premium recognised on shares issued in 2017	-	10,935,469
Share premium recognised on shares issued in 2018	10,210,078	-
Cancellation of shares (note 15)	(4,475,000)	-
	25,083,826	**19,348,748**

The 2017 year share premium increase, is the result of the shares issued for consideration on the acquisition of the Opportunity entities, FairGo Finance, the trademark and the greenshoe share options that were exercised.

The 2018 year share premium increase is the result of the shares issued during the private placement in February 2018.

Accumulated loss

During 2017, a number of transactions with minority shareholders resulted in the increase in the group shareholding in subsidiaries. This resulted in a change of €1,001,444 in equity for the year 2017. The majority of the amount relates to the increase in the Swaziland shareholding.

Figures in €	2018	2017
Foreign currency translation reserve		
Opening balance	(1,483,168)	(2,802,986)
Exchange differences on translating foreign operations	(1,723,832)	80,455
Recycled through profit and loss	-	1,239,363
	(3,207,000)	**(1,483,168)**

Other reserves consist of:		
Special reserve	(2,302,474)	(2,302,474)
Revaluation reserve	971,740	-
Share based payment reserve	1,250,578	1,027,711
	(80,156)	**(1,274,763)**

19. Share capital and other reserves (continued)

Special reserve

The debited amount of €2,302,474 relates to the adjustment from predecessor accounting when contributing both sub-groups and relates to the difference between value of the contribution and the predecessor value.

Share based payment reserve

During the 2018 financial year €222,867 (2017: €645,925) were recognised as share based payment expenses. (Refer to note 42)

Revaluation reserve

During 2018, the operational head office in South Africa (€934,263) and the offices in Uganda (€72,512) were revalued. Depreciation of €35,035 realised on the revaluation reserve.

20. Non-controlling interest

Figures in €	2018	2017
Opening balance	8,779,591	3,123,390
Total other comprehensive income for the year	2,152,642	1,697,938
Acquisition of subsidiary	-	4,257,322
Dividends paid	(638,200)	(592,039)
Capital injection	-	368,183
Other movements	-	(75,203)
Issue of preference shares	6,822,625	-
	17,116,658	**8,779,591**

In April 2017, the shareholders invested additional funds into Fair Go Finance (Pty) Ltd at the respective percentages held. This resulted in an increase of share capital amounting to €1.8 million (AUD 2.7 million). The portion contributed by the minority shareholders amounted to €368,183.

On 3 January 2018 and 1 March 2018 VSS Financial Services (Pty) Ltd issued non-redeemable, non-cumulative preference shares amounting to €6.8 million (ZAR100 million), these have been classified as equity.

Subsidiaries with material non-controlling interest

		Ownership held by non-controlling interest	
Subsidiary	**Country of incorporation**	**2018**	**2017**
GetBucks Microfinance Bank Limited	Zimbabwe	49.71%	49.71%
Opportunity Bank Uganda Limited	Uganda	51.00%	51.00%

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as at 30 June

20. Non-controlling interest (continued)

Summarised statement of financial position Figures in €	GetBucks Microfinance Bank Limited 2018	GetBucks Microfinance Bank Limited 2017	Opportunity Bank Uganda Limited 2018	Opportunity Bank Uganda Limited 2017
Assets				
Non-current assets	3,632,547	1,132,718	10,585,424	5,529,364
Current assets	22,696,853	17,944,690	16,051,047	12,648,988
Total assets	**26,329,400**	**19,077,408**	**26,636,471**	**18,178,352**
Liabilities				
Non-current assets	(4,967,820)	(4,475,478)	(3,520,453)	(664,119)
Current assets	(7,126,182)	(2,763,271)	(16,261,279)	(11,219,761)
Total liabilities	**(12,094,002)**	**(7,238,749)**	**(19,781,732)**	**(11,883,880)**
Total net assets	**14,235,398**	**11,838,659**	**6,854,739**	**6,294,472**
Carrying amount of non-controlling interest	**7,074,993**	**5,871,144**	**3,495,917**	**3,210,181**

Summarised statement of profit or loss and other comprehensive income Figures in €	GetBucks Microfinance Bank Limited 2018	GetBucks Microfinance Bank Limited 2017	Opportunity Bank Uganda Limited 2018	Opportunity Bank Uganda Limited 2017
Revenue	9,945,708	11,615,278	6,067,836	3,902,999
Loan book impairment charges	(166,511)	(915,545)	(291,833)	(597,643)
Other expenses	(5,049,608)	(5,959,366)	(5,062,531)	(3,919,691)
Other income	558,871	335,914	1,122,485	776,654
Net finance (cost)/income	(202,046)	(587,045)	(429,708)	29,792
Profit before tax	**5,086,414**	**4,489,236**	**1,406,249**	**192,111**
Taxation	(1,274,890)	(1,156,074)	(442,490)	35,028
Profit for the period	**3,811,524**	**3,333,162**	**963,759**	**227,139**
Other comprehensive income	-	-	224,488	-
Total comprehensive income	**3,811,524**	**3,333,162**	**1,188,247**	**227,139**

Summarised statement of cash flow Figures in €	GetBucks Microfinance Bank Limited 2018	GetBucks Microfinance Bank Limited 2017	Opportunity Bank Uganda Limited 2018	Opportunity Bank Uganda Limited 2017
Cash flows from operating activities	1,923,426	2,757,207	(594,718)	158,131
Cash flows from investing activities	(2,201,164)	(167,374)	(1,825,295)	(123,224)
Cash flows from financing activities	476,461	(3,030,369)	3,700,631	(303,257)
Net increase/(decrease) in cash	**198,723**	**(440,536)**	**1,280,618**	**(268,350)**
Dividend paid to non-controlling interest	**450,950**	**277,927**	**-**	**-**

21. Other financial borrowings

Figures in €		2018		2017	
Open market debt	**Note**	**Non-current**	**Current**	**Non-current**	**Current**
Vienna bonds					
This bond bears interest at 8.5% and is repayable in April 2020.	(a/d)	-	8,333,094	-	3,768,770
Botswana bonds					
Tranche 1 - Interest charge varies between 11% and 18% and is repayable over 36 to 60 months.	(a)	-	3,802,861	211,017	-
Tranche 2 - Interest charge varies between 11% and 18% and is repayable over 36 to 60 months.		5,643,163	-	5,983,694	-
Zimbabwe bonds					
This loan bears interest at 11% and is repayable monthly ending in October 2019.		4,788,517	-	4,282,388	524,920
Mozambique bonds					
This loan bears interest at 21.5% and is repayable in October 2019.		1,415,813	-	-	-
This loan bears interest at 21.5% and is repayable in June 2020.		1,639,109	-	-	-
		13,486,602	**12,135,955**	**10,477,099**	**4,293,690**
Other borrowings					
Various	(c)	-	114,020	28,298	91,632
		-	**114,020**	**28,298**	**91,632**
Financial institution borrowings					
This loan bears interest at Botswana's prime rate plus 300 basis points. The loan is secured over the building in Botswana.		385,960	17,506	431,222	16,128
This loan bears interest at 17%. The loan was repaid monthly, was secured.		-	-	1,462,855	681,443
The loan bears interest at 30% with the final repayment made in July 2018. The loan was secured over a portion of the Zambian loan book.		-	794,800	-	11,470,446
The loan bears interest at 17% repayable in 12 equal repayments.		-	4,277,526	-	-
This loan bared interest at CBR rate plus 400 basis points.		-	-	-	3,902,137
		385,960	*5,089,832*	*1,894,077*	*16,070,154*

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21. Other financial borrowings (continued)

Figures in €		2018		2017	
Financial institution borrowings	Note	Non-current	Current	Non-current	Current
From previous page		*385,960*	*5,089,832*	*1,894,077*	*16,070,154*
The loan bears interest at 21% with 18 repayments finalising in May 2019.		-	501,597	-	-
This 7% interest bearing loan is repayable in March 2021 (2017: November 2017).		7,540,349	-	-	7,366,341
This loan bared interest at 13% and was repaid in December 2017.		-	-	-	393,838
This loan bared interest at 18%.		-	-	375,499	486,065
This rolling facility bears interest at 28% with a one-month maturity (2017: one month).		-	1,336,738	-	952,978
This loan bears interest at the Australian Bank bill swap rate plus 300 basis points. The loan matures on 30 June 2019.		-	2,218,138	-	2,018,938
This loan bared interest at 18% and was repaid in September 2017.		-	-	-	266,296
The loan bears interest at 18%, is repayable in 36 months ending July 2020.		832,114	768,106	-	-
This loan bears interest at 9% and is repayable in September 2018.		-	385,467	-	-
The loan Is repayable in monthly instalments over 10 years with an interest rate equal to South African prime rate less 100 basis points.		5,166,658	614,326	3,084,053	214,488
The loan bears interest at 5% and is repayable in November 2018.		-	1,217,841	-	-
This 15% interest bearing loan is repayable in March 2023.		3,742,835	534,691	-	-
This loan bears interest at 17% and is repayable in two annual payments ending March 2022.		42,775	42,775	-	-
This loan bears interest at 12% and is repayable in March 2020		1,616,979	55,732	-	-
This rolling loan facility bears interest between 15 and 17%	(a/b/d)	-	4,221,705	-	-
This loan bears interest at 18% and is repayable in June 2021.		718,907	-	-	682,356
This loan bears interest at 15% and is repayable in January 2025.		1,539,252	-	-	168,562
		21,585,829	***16,986,948***	***5,353,629***	***28,620,016***

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21. Other financial borrowings (continued)

Figures in €		2018		2017	
Financial institution borrowings	Note	Non-current	Current	Non-current	Current
From previous page		*21,585,829*	*16,986,948*	*5,353,629*	*28,620,016*
This loan bears interest at 22% and is repayable in June 2019.		-	675,773	-	-
This loan bears interest at 9% and is repayable quarterly ending June 2021.		160,900	60,134	-	-
This loan bears interest at 10% and is repayable in August 2019.		6,254,781	-	-	-
This loan bears interest at 24% and is repayable quarterly ending March 2020.		246,023	7,541	259,122	-
This loan bears interest at 12% and is repayable December 2018		-	1,362,571	1,446,905	-
This loan bears interest at 12% and is repayable December 2018		-	316,606	311,231	-
This loan bears interest at 12% and was repaid in July 2018		-	181,743	192,991	-
This loan bears interest at 14% and is repayable in November 2018.		-	342,955	-	275,729
This loan bared interest at 9% and was repaid in equal instalments in March and June 2018.		-	-	-	414,304
This loan bared interest at 30% and was repaid in July 2017.		-	-	-	889,129
This loan had an interest rate of 20% and was repaid in January 2018.		-	-	-	1,668,133
This loan bared interest at 33% and was repaid in August 2017.		-	-	-	40,227
This loan bared interest at 28% and was repaid in December 2017.		-	-	1,369,577	-
These loans bared interest at 8.5% and was converted into Vienna bonds in July 2017.		-	-	-	249,176
This loan bears interest at 25% and is repayable in December 2018. The loan is secured over a portion of the Zambian loan book.		-	2,141,841	-	-
This loan bears interest at 8.5% and is repayable in January 2020.		406,834	-	-	-
This loan bears interest at 3.5% and is repayable in March 2021.		428,678	-	-	-
This loan matures in August 2018.		-	114,454	-	-
This loan bears interest at 14% and is repayable in quarterly instalments ending September 2022.		906,210	278,513	-	-
		29,989,255	***22,469,079***	***8,933,455***	***32,156,714***

21. Other financial borrowings (continued)

Figures in €		2018		2017	
Financial institution borrowings	**Note**	**Non-current**	**Current**	**Non-current**	**Current**
From previous page		*29,989,255*	*22,469,079*	*8,933,455*	*32,156,714*
This loan bears interest at 9% and is repayable in December 2019.		88,131	-	-	-
This loan bears interest at 10% and is repayable in December 2019.		812,729	-	-	-
This secured loan bears interest at 17% (2017: 20%) and is repayable by February 2021.	(a/d)	-	9,197,190	-	3,063,564
This secured loan bared interest at 11% and was repaid.		-	-	-	2,201,344
This secured loan bears interest at 15% and was repaid in September 2017.		-	-	-	2,131,452
This secured loan bared interest at 7% and was repaid in November 2017.		-	-	-	19,357
		30,890,115	**31,666,269**	**8,933,455**	**39,572,431**

Other Financial borrowings	**44,376,717**	**43,916,244**	**19,438,852**	**43,957,753**

a) These loans are in breach of covenants. Refer to note 41 for details on the breaches.
b) This facility is split into various regions which includes Kenya, Botswana and Zambia.
c) These loans have an interest rate between 0% and 17%, with no fixed terms of repayment.
d) Subsequent to year end waivers on the breach of covenants were obtained.

All other financial borrowings are carried at amortised cost. The carrying values of the other financial borrowings approximate the fair value.

22. Finance lease liabilities

Figures in €	2018	2017
- within one year inclusive of finance charges	91,689	57,732
- in second to fifth year inclusive of finance charges	186,820	120,254
	278,509	**177,986**
Less: future finance charges	(76,784)	(34,650)
	201,725	**143,336**

Present value of minimum lease payments due		
- within one year (current)	51,886	40,868
- in second to fifth year (non-current)	149,839	102,468
	201,725	**143,336**

It is the group's policy to lease certain motor vehicles under finance leases. The carrying value of the vehicles is equal to the amount due. The average lease term was 3-5 years and the average effective borrowing rate is 17% (2017: 11%) Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered for contingent rent.

23. Deferred grant income

Figures in €	Opening balance	Grants received	Other movement	Grants realised in profit or loss	Foreign exchange impact	Carrying value at year end
2018						
Mozambique	324,017	489,999	-	(585,994)	(13,102)	214,920
Uganda	1,351,872	359,445	20,974	(933,111)	(158,400)	640,780
Tanzania	324,536	20,975	-	(92,089)	(13,006)	240,416
Kenya	233,809	-	-	(226,927)	(6,882)	-
	2,234,234	**870,419**	**20,974**	**(1,838,121)**	**(191,390)**	**1,096,116**
2017						
Mozambique	59,744	877,965	-	(649,024)	35,332	324,017
Uganda	2,354,544	90,369	(252,791)	(722,144)	(118,106)	1,351,872
Tanzania	496,335	155,190	-	(312,661)	(14,328)	324,536
Kenya	154,355	134,316	-	(41,937)	(12,925)	233,809
	3,064,978	**1,257,840**	**(252,791)**	**(1,725,766)**	**(110,027)**	**2,234,234**

Figures in €	2018	2017
Non-current	640,778	179,538
Current	455,338	2,054,696
	1,096,116	**2,234,234**

24. Deposits from customers

Figures in €	2018	2017
Large corporate customers		
Term deposit	5,680,402	1,367,314
Current account	681,026	423,167
	6,361,428	**1,790,481**
Small medium customers		
Term deposit	100,764	1,096,912
Current account	2,069,139	183,959
	2,169,903	**1,280,871**
Retail customers		
Term deposit	3,816,001	1,287,669
Current account	7,989,282	6,888,281
Interest payable	332,135	246,261
	12,137,418	**8,422,211**
Total deposits from customers	**20,668,749**	**11,493,563**
Non-current	179,303	183,453
Current	20,489,446	11,310,110
	20,668,749	**11,493,563**

25. Other payables

Figures in €	2018	2017
Non-financial liabilities		
Payroll liabilities	876,317	991,472
Indirect taxes	1,240,884	1,715,672
	2,117,201	**2,707,144**
Financial liabilities		
Sundry accruals	3,081,941	4,595,741
Trade payables	3,248,886	2,707,794
Customer loan collateral	234,964	1,519,123
	6,565,791	**8,822,658**
	8,682,992	**11,529,802**

The majority of sundry accruals and trade payables consist of various small items accruing in the normal course of business. These items consist of deferred revenue, amounts due related to insurance and other operational creditors.

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26. Revenue

Figures in €	2018	2017
Individual lending revenue	55,468,488	51,611,425
Banking income	733,075	387,201
Insurance revenue	3,293,360	3,092,699
SME lending revenue	1,812,176	700,019
	61,307,099	**55,791,344**

27. Loan book impairment charges

Figures in €	2018	2017
Movement in impairment provision (note 12)	4,365,472	8,857,289
Direct loan write off's	7,468,709	3,337,151
	11,834,181	**12,194,440**

28. Other income

Figures in €		2018	2017
Gain on bargain purchase in a business combination	(a)	-	2,850,600
Grant income (note 23)		1,838,121	1,725,766
Profit on sale of loan book	(b)	2,038,520	-
Bad debts recovered		1,435,805	565,984
Other income		1,480,036	1,369,256
		6,792,482	**6,511,606**

a) The gain on bargain purchase was recognised on the acquisition of the four Opportunity International entities.
b) The profit on the sale of the loan book refers mainly to the profit on the sale of the South African online book €1.7 million and €340 thousand on the sale from GB Malawi to NFB.

29. Employee costs

Figures in €	2018	2017
Salaries, wages, bonuses and other benefits	15,096,534	13,655,952
	15,096,534	**13,655,952**
Average number of employees	**1,145**	**910**

30. Depreciation, amortisation and other impairments

Figures in €	2018	2017
Depreciation of property and equipment (note 4)	1,209,162	935,602
Amortisation and impairment of intangible assets (note 6)	1,559,455	1,111,443
Other impairments (note 15, 16)	825,525	471,442
	3,594,142	**2,518,487**

31. Consulting and professional fees

Figures in €	2018	2017
Auditor's remuneration - external		
Audit fees	1,505,000	1,472,000
Additional charge for the prior year audit	779,864	667,795
Other non-assurance services	109,968	349,318
Consulting fees		
Consulting fees	1,005,905	1,250,472
Legal fees		
Legal fees	760,578	1,120,202
	4,161,315	**4,859,787**

32. Selling expenses

Figures in €	2018	2017
Collection costs	3,705,491	2,718,280
Banking	327,773	8,625
Lending	3,069,853	1,973,048
	7,103,117	**4,699,953**

In order to grow the loan book, the sales have increased resulting in an increase in the selling expenses.

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33. Operating expenses

Figures in €	2018	2017
Accommodation	266,323	227,891
Advertising	850,972	1,063,440
Computer expenses	1,197,665	753,711
Lease expenses	1,678,130	1,659,404
Motor vehicle expenses	272,667	169,242
Municipal expenses	273,121	226,935
General office expenses	571,875	733,414
Repairs and maintenance	402,088	345,897
Security	309,911	134,024
Shared service expenses	128,539	480,631
Recruitment costs	239,410	190,975
Staff welfare	365,061	491,069
Subscriptions and licence fee's	793,809	582,795
Communication expenses	736,302	784,737
Travel expenses	1,152,603	1,174,655
Indirect taxes expensed	873,374	805,177
Insurance charge	301,560	367,702
Profit or loss on fixed asset disposal	200,150	111,302
Grant related expenses	617,596	600,861
Directors fees	494,911	597,071
Restructuring costs	-	671,501
Corporate investments	185,505	139,235
Other expenses	489,190	652,580
	12,400,762	**12,964,249**

34. Investment revenue

Figures in €	2018	2017
Interest on bank and other cash	910,550	18,954
Interest on other loans	2,760,928	2,664,581
	3,671,478	**2,683,535**

35. Finance costs

Figures in €	2018	2017
Interest on all financial borrowings	20,917,154	17,548,638
Net foreign exchange losses on foreign currency borrowings	729,931	1,099,059
Funding origination costs	1,076,603	2,678,692
	22,723,688	**21,326,389**

36. Taxation

Figures in €	2018	2017
Income taxation		
Local income tax	3,892,529	2,749,820
Excise duty	-	13
Other	204,290	9,549
	4,096,819	**2,759,382**
Deferred taxation		
Originating and reversing temporary differences	(1,510,161)	669,319
	(1,510,161)	**669,319**
	2,586,658	**3,428,701**

Figures in €	2018	2017
Reconciliation of the taxation expense		
Accounting loss	(4,498,694)	(7,232,772)
Taxation expense at the respective country rates	(303,381)	(3,086,884)
Tax effect of adjustments on taxable income		
Non-deductible expenses	2,279,969	1,362,010
Assessed loss utilised	(1,546,829)	(89,523)
Unrecognised tax losses	3,167,276	4,707,515
Withholding tax credit	63,370	749,462
Prior period adjustment	(129,540)	(55,756)
Non-deductible income	(1,132,459)	(158,110)
Other taxes similar to income tax	188,252	(13)
	2,586,658	**3,428,701**

37. Earnings per share

Figures in €	2018	2017
Loss for the period attributable to equity owners of the parent	**(10,857,638)**	**(15,034,647)**
From continuing operations	(9,997,105)	(12,681,970)
From discounted operations	(860,533)	(2,352,677)

37. Earnings per share (continued)

Number of shares	2018	2017
Weighted average number of ordinary shares	12,078,764	11,490,678
Adjusted for calculation of diluted earnings per share:		
Employee option plan	26,402	38,672
Weighted average number of ordinary shares for diluted earnings per share	**12,105,166**	**11,529,350**

Figures in €	2018	2017
Basic loss per share		
From continuing operations	(0.83)	(1.10)
From discounted operations	(0.07)	(0.20)

Figures in €	2018	2017
Diluted loss per share		
From continuing operations	(0.83)	(1.10)
From discounted operations	(0.07)	(0.20)

Figures in €	2018	2017
Total loss per share attributable to owners of the parent		
Basic loss per share	(0.90)	(1.30)
Diluted loss per share	(0.90)	(1.30)

38. Cash generated from operations

Figures in €	2018	2017
Profit/(loss) before taxation	(5,406,299)	(9,244,724)
Adjustments for:		
Depreciation and amortisation	2,557,959	2,006,151
Non-cash portion of expenses	(12,736)	(396,148)
(Profit)/Loss on disposal	(152,898)	111,303
Profit on sale of loan book	(2,038,520)	-
Investment revenue	(3,671,478)	(2,683,535)
Finance costs	22,023,256	20,236,487
Other impairments	1,153,858	513,958
Loan impairments	4,627,174	13,151,759
Employee share option plan	222,867	645,925
Gain on bargain purchase	-	(2,850,600)
Grant amortisation	(1,838,121)	(1,725,766)
Foreign exchange	801,953	1,075,218
Share of profit in associates and joint ventures	(530,173)	-
Changes in working capital:		
Loan book	(31,503,147)	(20,911,114)
Other receivables	(4,401,905)	(11,306,533)
Deposits from customers	9,071,399	2,678,785
Other payables	4,724,144	(762,744)
Cash (used in)/generated from operations	**(4,372,667)**	**(9,461,578)**

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39. Fair value information

Valuation models

The group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1

Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity and debt investments classified as trading securities or available-for-sale.

Level 2:

Inputs other than quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Level 3:

Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rate, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

39. Fair value information (continued)

Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. The group's valuation methodology for securities uses a discounted cash flow methodology and dividend discount methodology. The methodologies are often used by market participants to price similar securities..

Figures in €	Note	Level	2018	2017
Financial assets at amortised cost				
Financial investments	10	2	1,643,853	-
			1,643,853	**-**
Loans to related parties	8	3	13,457,180	15,577,655
Financial investments	10	3	76,016	-
Loan book	12	3	85,722,930	68,526,928
Other financial assets	16	3	348,459	348,648
			99,604,585	**84,453,231**
Financial liabilities at amortised cost				
Zimbabwe bonds*	21	2	4,788,517	4,807,308
Vienna bonds*	21	2	8,333,094	3,768,770
Botswana bonds*	21	2	9,446,024	6,194,711
Mozambique bonds*	21	2	3,054,922	-
			25,622,557	**14,770,789**
Loans from related parties	8	3	28,068,943	37,172,211
Loans from shareholders	8	3	2,365,798	4,774,000
Other financial borrowings	21	3	62,670,404	48,625,816
Finance lease liabilities	22	3	201,725	143,337
Deposits from customers	24	3	20,668,749	11,493,563
			113,975,619	**102,208,927**

* Even though these bonds are listed since they are not traded regularly the quoted price is not representative of the fair value. Hence, they have been listed within level 2.

40. Financial instruments by category

Loans and receivables Figures in €	Note	2018	2017
Loans to related parties	8	13,457,180	15,577,655
Financial investments	10	1,719,869	-
Loan book	12	85,722,930	68,526,928
Fixed deposits	13	13,102,968	19,067,384
Other receivables	15	10,544,227	7,242,939
Other financial assets	16	348,459	348,648
Cash and cash equivalents	18	13,036,969	15,050,536
		137,932,602	**125,814,090**

Financial liabilities at amortised cost Figures in €		2018	2017
Loans from related parties	8	28,068,943	37,172,211
Loans from shareholders	8	2,365,798	4,774,000
Bank overdraft	18	988,499	4,366,968
Other financial borrowings	21	88,292,961	63,396,605
Finance lease liabilities	22	201,725	143,336
Deposits from customers	24	20,668,749	11,493,563
Other payables	25	6,565,791	8,822,658
		147,152,466	**130,169,341**

41. Risk management

The risk management policies are designed to identify and analyses risks, to set appropriate limits and controls, and to monitor the risk through reliable and up-to-date information systems. Risk management is carried out by management, under policies approved by the board. The board approves principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk and interest rate risk.

The executive management of the group's subsidiaries are responsible to identify, monitor and mitigate risk at all business levels under the policies approved by the group's board.

I. Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's loans and advances to customers. For risk management reporting purposes, the group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, employer default risk and country risk).

The provision of unsecured loans to formally employed individuals is the main activity of the group's business. As such, exposure to credit risk and the management of this risk is a key consideration.

Customer credit risk is mitigated by the utilisation of payroll collection models. Employment of customers by vetted employers effectively serves as security for loans provided to such customers, since the employer recovers the loan instalment directly from the customer's salary. All cash and cash equivalent assets are placed with reputable banks. If the bank's credit rating recedes the risk will be assessed, and action taken.

41. Risk management (continued)

The group analyses the return versus risk in these instances as some banks may offer a higher return with a significant risk component. The group utilises hard currency deposits as security to borrow local currency funding to limit foreign exchange losses.

In terms of the group's derivative position, the group selects well-regulated, reputable, and financially sound firms in the United Kingdom. The group chose the United Kingdom due to a strong regulatory and supervisory framework which providers need to comply with.

In extending loans to related parties, shareholders and third parties the group completes a full credit assessment. The group reviews the financial statements, operations, legal and tax status of the borrower. The group also limits the tenure and size of the debt to ensure that it never poses a material risk to the group. All loans are interest-bearing and recorded at fair value at initial recognition. The group bases its credit risk policies on the customers it serves, their employers and the method of collection.

a. Credit committees and credit policies.

The credit policy document governs each subsidiary's credit products. Credit committees meet monthly. Collection data at the subsidiary level is reviewed by the committee and analysed. This information is used to adjust the general and subsidiary specific tolerance levels to reduce bad debt and maximise acceptable levels of disbursements versus risk in the respective territories. Legislative requirements on charges such as interest, fees, number of loans and affordability are reviewed monthly and are sourced via regular communication with regulating authorities.

All the credit committees report to management on a quarterly basis in terms of its charter. The group's activities expose it to several financial risks. Taking risk is core to any financial services business. The group's objective is to achieve an appropriate balance between risk and return.

b. Concentration risk

Concentration risk is the risk of loss arising from an excessive concentration of exposure to a single counterparty, industry, product, or geographic region. The group's credit risk portfolio is well diversified. The group's management approach relies on reporting of concentration risk along key dimensions and portfolio limits. Concentration risk limits are used within the group to ensure that funding diversification is maintained across products, geographic regions, and counterparties. The group advances loans to payroll employees, private online lending and small medium enterprises.

The following table illustrates the group's concentration by geographic region with reference to the value of the loan book as well as all financial assets:

	Loan book		All financial assets	
%	2018	2017	2018	2017
Zimbabwe	20.45	14.44	18.21	13.64
Uganda	18.91	13.18	17.09	13.26
Mozambique	15.69	3.93	12.83	3.23
South Africa	10.36	20.13	12.33	13.36
Zambia	10.25	12.08	10.97	12.59
Botswana	9.69	8.20	9.50	9.44
Australia	5.94	6.41	3.85	3.45
Kenya	4.39	10.77	3.68	8.15
Swaziland	2.76	2.79	1.88	1.82
Malawi	0.93	4.73	2.75	6.29
Tanzania	0.47	2.39	0.36	0.77
Other	0.16	0.95	0.13	3.95
Luxembourg	-	-	0.52	0.70
Mauritius	-	-	5.90	9.35

41. Risk management (continued)

The following table illustrates the group's concentration by product:

%	2018	2017
Payroll deduction lending	48.30	42.98
Online	10.69	24.17
Small medium enterprises	19.26	13.04
Other	21.75	19.81

Direct lending

The group provides loans to gainfully employed individuals and relies on collecting loan instalments directly from the customer's bank account, via an electronic debit order, or electronic bank deduction instruction. These payments are affected on the customer's salary date. Customers are assessed in full every time they apply for credit to determine if their credit profile remains acceptable in terms of the credit policies of the group.

d. Credit philosophy

The credit philosophy of the group is to place primary emphasis of the credit decision on the borrower's ability to service the loan. It is therefore critical to establish the customer's ability and commitment to service their loan instalment.

A borrower's ability (or affordability) to pay is dictated by their repayment and total existing internal and external financial obligation in relation to their net income. The willingness to repay is primarily based on the client's past payment history.

(i) Credit risk assessment

The group utilises a risk scoring engine that analyses aggregated 'big data'. The credit scoring engine is configured with the credit policy parameters and is embedded in the system, preventing human intervention which can result in breaches of policy. The group also makes use of credit risk cover for its customers which covers the outstanding capital in the event of a customer's loss of income relating to death, disability, dreaded disease, or retrenchment.

Checks:

- Identification verification electronic and physical;
- Electronic credit bureau data;
- Customer affordability assessment established by electronic or manual assessment of three months' bank statements;
- Term and proof of employment established via electronic or manual confirmation;
- Electronic bank account verification;
- Age;
- Industry of employment;
- Employer;
- Previous credit behaviour with the group; and
- Fifteen thousand data points of alternative data.

Documentation in the absence of electronic verification:

- Proof of identity;
- Bank statement;
- Payslip; and
- Loan agreement with credit life policy.

All credit approvals are governed by the MyBucks credit policy and more specifically the country specific credit policy. Business and product rules are incorporated into the operating system business and decisioning layer.

(ii) Employer risk assessment

The group assesses the employer to determine if the employer will be able to honour its obligations in terms of the agreement. Criteria that the group uses are as follows:

Checks:

- Industry type;
- Financial position (3 years signed financial statements);
- Know your customer (KYC);
- Tax clearance;
- External references; and
- Litigation pending.

Documentation:

- Statutory documents;
- Directors KYC; and
- Audited financial statements.

Before loans are granted to customers who are employed by verified employers, the following processes are completed:

41. Risk management (continued)

Checks:

- Identification verification;
- Employer verification;
- Affordability calculation based on source documentation;
- Electronic credit bureau information;
- Bank account verification; and
- Age.

Documentation:

- Loan agreement;
- Signed bank account deduction instruction in the event of termination of employment;
- Signed credit life agreement;
- Copy of identification document;
- Payslip; and
- 3 Months' bank statements.

The main objective to mitigate credit risk lies in the credit granting process and this process is managed in specific procedures in the acquisition process:

Credit Market Indicators –

External credit bureau enquiries are used to establish outright application disqualifying factors such as fraud indicators, insolvency, debt review status as well as external exposure information relating to account handling, balances, and client commitments;

Customer Data Authentication –

All core customer data supplied in the application process is vetted automatically against external and independent data sources specifically pertaining to personal details, employment details, customer bank details and customer earning and exposure details. In the absence of automated controls, such validation is performed manually;

Internal Credit Policy Application –

In the final step in the customer credit application, the data is assimilated and passed through the proprietary internal credit application process that provides the outcome in terms of application status and if provisionally approved the credit limit, appropriate product term, product cost and monthly commitment to the customer.

e. Collection

When no deduction at source is used, the group follows a philosophy of ensuring timeous collections based on the client's salary date to optimise collection success. There is focus on internal data trends and knowledge with constant monitoring and improvement of the quality of the information database to ensure improved collection success.

The group mainly utilises the regulated non-authenticated early debit order (NAEDO) system to collect instalments from customers. Deduction mandates are obtained from customers in their loan contracts and are made from their primary bank account (where the customer's salary is deposited).

When collection is unsuccessful, arrears follow-up is performed through a systematic process of customer self-help, an assisted process managed by the group's in-house collection department.

f. External recovery

The group's arrears accounts are handed over to selected external debt collectors (EDC) to collect on their behalf. The main objective remains the mitigation of risk and ultimate collection without incurring excessive cost to the either the group or the customer.

g. Credit monitoring

The group utilises various reporting and monitoring tools to engage in and control ongoing credit risk within the credit life-cycle:

- Real time monitoring on application volumes, approval rates and processing quality;
- Credit efficiency reports to establish first strike collection rates;
- Vintage collection reports to establish the initial recovery process efficiency;
- Credit ageing reports to manage and control loan delinquency and provisioning; and
- Active payment, collection, and integrity trend analysis to control and manage underlying risks and movements within the day to day operational procedures.

h. Deduction at source lending

The group provides loans to gainfully employed individuals that are employed by employers that are vetted by the group and that have concluded an agreement with the group. In terms of these agreements the employer deducts the loan instalments from the customer's salary and disburses these funds to the group. Loan size, terms, rates, and customer affordability criteria are also agreed with the employer upon engagement. In this instance the group mitigates the direct customer risk and gears the risk towards the customer's employer. Employers are assessed monthly based on their collections' performance.

41. Risk management (continued)

Impairment assessment

Customers of the group are segmented into five rating classes, category of default (CD) zero through four:

CD0: Loans that are not past due and are within the contract term.
CD1: Loans that have missed one contractual payment.
CD2: Loans that have missed two contractual payments.
CD3: Loans that have missed three contractual payments.
CD4: Loans that have missed more than three contractual payments. This is also defined as the default state.

The impairments at year-end are derived from each of the five internal rating grades. Loans and advances are considered impaired if, and only if, there is objective evidence of impairment because 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 measured reliably (this is referred to as the incurred loss approach). The internal rating tool assists management to determine whether objective evidence of impairment exists based on the following criteria set out by the group:

- Downgrading below "performing" level;
- Historical loss experience of groups of financial assets with similar repayment terms;
- Data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group including;
- Adverse changes in the payment status of borrowers in the group; or
- National or local economic conditions that correlate with defaults on the assets in the group.

In determining whether a loss event has occurred, loans and advances are subjected to regular evaluations of the following:

- Overall client risk profile and payments record;
- Downgrading below "Performing" level;
- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower; or
- Initiation of bankruptcy proceedings.

The group assesses the probability of default by referring to historical collection data. The historical collection data is reviewed quarterly to reduce the difference between the impairment allowance estimate and actual loss experience.

The historical loss experience is adjusted based on observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

On a collective basis, the group assesses whether objective evidence of impairment exists for groups of financial assets with similar repayment terms. If there is objective evidence that an impairment loss on loans and advances has been incurred, the amount of the loss is measured as the difference between the assets' carrying amounts and the present value of estimated future cash flows discounted at the respective financial assets' original effective interest rates (the recoverable amount).

- Loans and advances within the group comprise many small, homogenous assets. Statistical techniques are used to calculate impairment allowances collectively, based on historical default and recovery rates. These statistical analyses use as, primary inputs, the extent to which accounts in the portfolio are in arrears and historical loss experience on the eventual losses encountered from similar delinquent portfolios. Loans that are not in arrears are provided for using the Incurred But Not Reported (IBNR) assumption with an emergence period equal to three months.
- Models contain both judgmental and non-judgmental inputs. The extent of judgement utilised in models developed for new loan products is greater than that for older products, given the limited historical experience available for the new products.

41. Risk management (continued)

Impairments is calculated as EAD x PD x LGD where:

- The probability of default (PD) for each CD category is determined by means of historic statistical analysis of the observed payment behaviour. This is achieved by constructing transition matrices that track how loans have migrated between CD states. These movements produce a pattern over time that is used to predict a probability of default (reaching CD4).
- The loss given default (LGD) represents the portion of a loan's balance, at the point of default, that is expected to be unrecovered/written off.
- These derived statistics, based on actual experience, are used in determining the impairment value of each loan by multiplying the outstanding balance / exposure at default (EAD) at reporting date with PD and LGD.

The group issues loans to small and medium-sized enterprises (SMEs) and as such attracts credit risk in the form of missed / defaulted payments.

Loss reserves are raised on all loans in the portfolio and is calculated separate from the consumer loan book's loss reserves calculation. The loss reserves methodology is different for SME loans due to SME loans being "low frequency, high severity".

The SME approach is simplified in the sense that there is no statistical data modelling and instead the group uses large banking portfolio benchmarks to estimate loss reserves.

To estimate the loss reserve ratios, the group references the BASEL Pillar 3 disclosures of the largest South African banks, specifically from their Retail SME portfolios. These banks are diversified across the African continent and provides a diversified reflection of the loss ratios for SME entities in the continent.

The loss reserve ratios from the banks are balance weighted and applied to the group's exposures to yield the loss reserve ratios.

Collateral is more likely to be in place for SMEs and this is used to offset a portion of the loan exposure. The value of collateral is usually reduced by (i) expected haircuts, (ii) forced sale values and (iii) other reductions. If an SME entity has eligible collateral in place, the net value of collateral can be subtracted from the outstanding balance before the loss reserve ratios are applied.

The methodology is reviewed annually.

The below table indicates, per country, the performance category of the loan book split:

2018 %	CD0	CD1	CD2	CD3	CD4
Zimbabwe	90.01	1.06	1.57	1.03	6.33
South Africa	83.55	5.44	1.44	1.51	8.06
Uganda	91.58	4.62	1.63	0.55	1.62
Zambia	74.04	8.38	2.91	2.90	11.77
Botswana	90.33	2.58	0.98	0.68	5.43
Kenya	61.09	8.83	5.37	2.30	22.41
Malawi *	100.00	-	-	-	-
Australia	71.50	3.18	1.99	1.15	22.18
Mozambique	82.15	17.54	0.13	0.06	0.12
Swaziland	73.18	5.11	1.84	1.79	18.08
Tanzania	5.37	36.00	16.60	9.21	32.82

*During the financial year GetBucks Malawi changed the business process and is selling of their loan book to NFB on a monthly basis.

41. Risk management (continued)

2017 %	CD0	CD1	CD2	CD3	CD4
Zimbabwe	91.15	1.62	0.54	0.48	6.21
South Africa	59.30	8.49	4.36	4.14	23.71
Uganda	87.29	4.93	1.55	1.92	4.31
Zambia	85.73	5.53	3.12	1.65	3.97
Botswana	84.88	2.65	1.01	1.26	10.20
Kenya	36.23	8.12	5.07	6.08	44.50
Malawi	85.00	5.00	1.00	1.00	8.00
Australia	68.00	3.00	2.00	1.00	26.00
Mozambique	89.00	3.00	1.00	1.00	6.00
Swaziland	64.83	15.28	4.14	2.11	13.64
Tanzania	9.41	23.94	11.51	8.32	46.82

	2018	2017
Provisions for impairment as a % of gross loan book	11	20

Figures in €	Neither past due nor impaired	Past due impaired	Total gross advances to customers	Less provision	Net advances to customers
2018	81,579,634	14,661,946	96,241,580	(10,518,650)	85,722,930
2017	61,496,363	24,340,930	85,837,293	(17,310,365)	68,526,928

The loan book impairments have decreased by 39% from the prior to the current year, while the gross loan book has increased by 12% from prior to current year. As the impairment percentage has decreased from 20% of the gross loan book in 2017 to 11% in 2018, the credit quality of the loan book has increased.

Credit risk impacts

The emergence period is the time it takes for a credit event (e.g. job loss) to lead to a loss event on a loan (e.g. payment default). If the emergence period increased by one month, the increase / decrease on profit or loss would be €108,622 (2017: €278,960).

If the loss ratio increased by 5% of portfolio provision, the effect would be €525,932 (2017: €865,518).

The table below lists other financial assets (excluding cash and cash equivalents and loan book) in relation to their past due status:

Figures in €	Neither past due nor impaired	Past due but not impaired 0 – 90 days	Past due but not impaired 90 – 360 days	Past due but not impaired more than 360 days	Impaired
2018					
Other receivables	9,013,726	347,675	895,296	119,979	167,551
Loans to related parties	13,457,180	-	-	-	-
Other financial assets	348,459	-	-	-	-
Fixed deposits	13,102,968	-	-	-	-
Financial investments	1,719,869	-	-	-	-
	37,642,202	**347,675**	**895,296**	**119,979**	**167,551**

41. Risk management (continued)

Figures in €	Neither past due nor impaired	Past due but not impaired 0 – 90 days	Past due but not impaired 90 – 360 days	Past due but not impaired more than 360 days	Impaired
2017					
Other receivables	5,650,018	577,586	984,721	30,614	-
Loans to related parties	15,577,655	-	-	-	-
Other financial assets	348,648	-	-	-	-
Fixed deposits	19,067,384	-	-	-	-
	40,643,705	**577,586**	**984,721**	**30,614**	**-**

i. Credit quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

Cash and cash equivalents and fixed deposits per financial institution credit rating:

Figures in €	2018	2017
A+	329,938	34,801
AAA	211,964	(213,047)
AA	3,482,026	3,431,303
AA-	10,905	1,678,133
A	15,370	32,087
BBB	4,253,109	5,631,402
BBB-	201,288	813,409
BB+	165,982	13,418,608
B	3,666,269	7,732
B1	34	880
B2	1,985,515	52
B-	-	1,272
Unrated	10,829,038	4,914,320
	25,151,438	**29,750,952**

The unrated amount consists mainly of amounts in banks in Uganda where credit ratings are not available.

Reconciliation of cash and fixed deposits		
Cash and cash equivalents (note 18)	12,048,470	10,683,568
Fixed deposits (note 13)	13,102,968	19,067,384
	25,151,438	**29,750,952**

41. Risk management (continued)

II. Market risk

Market risk is the risk that changes in the market prices, such as interest rates and foreign exchange rates, will affect the fair value and future cash flows of a financial instrument.

Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Overall responsibility for managing market risk rests with the directors. Management is responsible for the development of detailed risk management policies (subject to review by the directors) and for the day to day implementation of those policies. The group policy is to only hedge open positions on hard currencies. Due to the volatility in some of the African countries' currencies, hedging is either not available or prohibitively expensive. In such countries, the focus is to obtain local funding in local currency.

III. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The group's main interest rate risk arises from long-term borrowings which are issued at fixed and variable rates. These expose the group to cash flow interest rate risk which is partially offset by having a short-term loan portfolio as the main asset in the group. Increasing refinancing cost can be potentially covered by price changes in new lending (to the extent that the relevant lending rates are governed by a formula linked to prime) whereby the spread between lending interest and borrowing interest is comparably high.

The table below indicates all interest-bearing financial borrowings and all interest-bearing financial assets (excluding cash and cash equivalents, other receivables and trade and other payables) at fixed rates and variable rates.

Fair value interest rate risk Figures in €	2018	2017
Fixed interest-bearing assets		
US Dollar	22,588,514	20,251,511
Botswana Pula	11,980,775	10,634,480
South African Rand	5,929,501	16,149,836
Malawi Kwacha	793,611	3,745,729
Kenya Shillings	3,762,549	4,627,390
Zambia Kwacha	8,782,477	9,885,959
Other	2,364,984	292,536
Ugandan Shilling	21,498,118	10,665,140
Mozambique Metical	12,264,443	3,090,796
Australian Dollar	5,556,371	3,891,129
Tanzanian Shilling	399,680	571,154
	95,921,023	**83,805,660**

41. Risk management (continued)

Fair value interest rate risk Figures in €	2018	2017
Fixed interest-bearing borrowings		
US Dollar	34,435,625	41,875,524
Botswana Pula	11,837,036	8,597,549
South African Rand	25,929,722	27,744,838
Euro	17,356,841	7,043,524
Zambia Kwacha	-	2,281,460
Kenya Shillings	-	168,565
Australian Dollar	-	1,945,798
Mozambique Metical	7,332,499	682,401
Tanzanian Shilling	10,694	-
Uganda Shilling	11,261,607	861,565
	108,164,024	**91,201,224**

Cash flow interest rate risk Figures in €	2018	2017
Variable interest-bearing assets		
Botswana Pula	-	180,151
South African Rand	7,874,491	112,643
	7,874,491	**292,794**
Variable interest-bearing borrowings		
Botswana Pula	464,421	489,719
United States Dollar	4,277,526	-
Malawi Kwacha	-	40,227
Kenya Shillings	-	2,149,520
Mozambique Metical	5,568,462	-
Uganda Shilling	6,468,005	-
Australian Dollar	2,218,138	2,013,423
	18,996,552	**4,692,889**

Notes to the consolidated financial statements
as at 30 June

41. Risk management (continued)

Figures in €	2018	2017
Non-interest-bearing assets		
	202,113	**14,912**
Non-interest-bearing liabilities		
	566,793	**449,875**

Cash flow interest rate sensitivity impact on profit or loss on financial assets and financial liabilities (excluding cash and cash equivalents, other receivables and trade and other payables)

Cash flow interest rate risk Figures in €	Movement	2018	2017
Variable interest-bearing assets			
Botswana Pula	1%	-	1,802
South African Rand	1%	78,745	1,126
		78,745	**2,928**
Variable interest-bearing borrowings			
Botswana Pula	1%	4,644	4,897
United States Dollar	1%	42,775	-
Malawi Kwacha	1%	-	402
Kenya Shillings	1%	-	21,495
Mozambique Metical	1%	55,684	-
Uganda Shilling	1%	64,680	-
Australian Dollar	1%	22,181	20,134
		189,964	**46,928**

41. Risk management (continued)

The group manages its interest rate risk through placing excess funds in interest bearing call accounts. The group has also placed hard currency debt borrowings in bank deposits as per note 13, which are used as security for local currency funding lines where the group earns interest on these deposited funds. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios below, the group calculates the impact on profit and loss of a defined interest rate shift. The sensitivity of these interest rate shifts is based on the expected movements in inter-bank lending rates in the respective jurisdictions year on year.

a. External funding at central treasury level

All the group's significant hard currency funding is at fixed interest rates. The group being in a start-up phase has been exposed to high interest rates on its hard currency funding. Hard currency funding received is managed through the group treasury function. Individual countries are encouraging to source local funding facilities, while treasury will provide the security to this funding by way of the hard currency funding received. These facilities are reviewed on a quarterly basis.

b. Internal funding inter-company

Group funding to subsidiaries are at lending rates that are aligned with local country regulation. In some countries regulators require prime linked rates and, in others, fixed rates. In some countries the inter-group rate is zero percent.

c. External local currency funding

The subsidiaries have predominantly prime linked debt facilities with banks in local currency. Formal debt instruments with non-banking institutions are utilised at fixed interest rates.

d. Customer interest rates

All loans to customers are at a fixed rate. The subsidiaries are therefore exposed to increases in funding rates and will benefit from lower funding rates. In South Africa, interest rates are regulated and hence the group has limited ability to change the rates. The group is therefore exposed to increases in funding rates and will benefit from lower funding rates.

IV. Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group has made use of hard currency bank deposits (used as security for local funding lines) to limit its various exposures.

The group has investments in subsidiaries, whose net assets are exposed to foreign currency translation risk. Currency exposure, arising from the net assets of the group's subsidiaries, is managed primarily through borrowings denominated in the relevant foreign currencies, including inter-company loans made by the holding companies or the central treasury function to these subsidiaries in the relevant foreign currencies.

These inter-company loans expose the group to foreign currency risk and create an open foreign currency position. The focus in the current financial year, and going forward, has been to close open foreign exchange positions on inter-company loans. New local currency funding lines will enable the group to replace inter-company loans with local funding.

The group is however still exposed to local currency risk in terms of its local currency loan book assets that cannot be hedged in some of the countries that the subsidiaries operate in. The below table illustrates the balance exposure relating to foreign currency funding held in local jurisdictions.

41. Risk management (continued)

Figures in €		2018	2017
Subsidiary foreign currency loan exposures at 30 June			
US Dollar		26,037,895	22,490,348
Euro		1,924,576	8,895,157
Sensitivity impact on profit and loss			
US Dollar	7%	1,822,657	1,574,324
Euro	7%	134,720	622,661

The above table, on the sensitivity of the risk related to foreign currency exposure, illustrates the sensitivity of the subsidiaries' functional currencies to the currencies presented in the table above. The fluctuation is an indication of movements in exchange rates observed during the last 12 months.

The table does not take into consideration the translation risk, being the difference between functional currency and presentation currency.

Exposure:
The group's exposure on significant financial categories to foreign currency risk at the end of the reporting period, expressed in Euro, was as follows:

Figures in €	Borrowings	Cash	Other receivables	Other payables	Loan book	Fixed deposits	Total
2018							
Botswana Pula	12,240,503	829,765	357,724	1,759,204	8,301,232	-	**23,488,428**
Malawi Kwacha	-	801,551	1,081,954	524,933	793,611	-	**3,202,049**
US Dollar	25,349,873	4,433,874	5,437,724	791,994	17,533,781	7,695,624	**61,242,870**
Kenya Shillings	2,208	(740,735)	491,002	553,430	3,762,548	-	**4,068,453**
Euro	18,686,121	420,430	853,884	544,626	-	61,814	**20,566,875**
Zambia Kwacha	5,580,396	498,775	1,662,450	499,649	8,782,477	-	**17,023,747**
South African Rand	12,069,640	1,190,758	2,702,987	2,530,135	11,396,649	-	**29,690,927**
Ugandan Shilling	4,296,308	1,819,624	998,126	798,966	16,206,719	5,291,399	**29,411,142**
Tanzanian Shilling	-	96,944	67,962	228,383	399,680	-	**792,969**
Mozambique Metical	5,988,854	2,493,569	1,742,989	131,873	13,450,815	54,131	**23,862,231**
Australian Dollar	4,079,058	216,379	99,548	319,252	5,095,417	-	**9,809,654**
Other	-	(12,464)	-	547	-	-	**(11,917)**

41. Risk management (continued)

Figures in €	Borrowings	Cash	Other receivables	Other payables	Loan book	Fixed deposits	Total
2017							
Botswana Pula	8,730,478	1,052,262	299,182	1,666,406	6,205,075	-	**17,953,403**
Malawi Kwacha	40,227	(1,349,622)	1,325,445	609,368	3,745,730	-	**4,371,148**
US Dollar	27,617,757	4,752,236	3,807,564	1,049,305	11,397,331	10,700,671	**59,324,864**
Kenya Shillings	2,300,013	750,828	423,181	664,402	4,627,282	4,489	**8,770,195**
Euro	12,254,552	16,173	3,682,596	962,358	-	-	**16,915,679**
Zambia Kwacha	2,108,403	(1,873,198)	1,153,837	1,260,139	9,882,737	3,426,814	**15,958,732**
South African Rand	4,696,416	1,043,459	2,406,188	2,065,635	14,182,076	-	**24,393,774**
Ugandan Shilling	996,334	597,323	859,745	1,497,630	10,666,797	4,432,776	**19,050,605**
Tanzanian Shilling	-	42,076	79,550	341,328	571,153	235,152	**1,269,259**
Mozambique Metical	682,357	3,957,628	387,642	594,047	3,090,598	267,482	**8,979,754**
Australian Dollar	3,970,068	1,675,282	145,148	384,257	3,901,787	-	**10,076,542**
Other	-	19,121	84,824	434,927	256,363	-	**795,235**

The impact of Swaziland and Namibian currencies is included in South African Rand, as these currencies are linked.

V. Country risk

As a global financial services group, MyBucks is active in multiple jurisdictions. Significant changes in the economy or in the health of a particular industry segment, that represents a concentration in the group's portfolio, could result in losses that are different from those provided for at the reporting date. Country (or Sovereign) risk is part of the overall credit risk and is managed as part of the credit risk management function as it has a major impact on individual counter-parties ability to perform.

Management therefore carefully manages its exposure to credit risks by ensuring that the exposure to any single country does not exceed twenty five percent of the total loan book.

VI. Liquidity risk

Liquidity risk is the risk that operations cannot be funded, and financial commitments cannot be met timeously and cost effectively. Liquidity risk management deals with the overall profile of the statement of financial position, the funding requirements of the group and cash flows. In quantifying the liquidity risk, future cash flow projections are simulated, and necessary arrangements are put in place to ensure that all future cash flow commitments are met.

In these simulations, the following factors are taken into consideration per subsidiary:

a) Loan disbursements

Although longer loan tenures to customers have a positive impact on the revenue and the loan book, the cash flow is negatively impacted in the short term. To mitigate such impact the mix between longer term loan products and shorter-term loan products is managed to balance the net cash flow.

b) Loan book collections

Collection efficiency rates are used when projecting cash inflows. Efficiency rates are monitored daily in order to optimise cash flows and are based on historical experience. Disbursements will be adjusted in the case of lower than expected collections, since this managed daily.

c) Cost containment and budgeting

Costs are managed daily and any variances to budgets are investigated to ensure the accuracy of the cash flow simulation models.

d) External debt repayments

External debt repayments are accounted for in the cash flow simulation models.

41. Risk management (continued)

e) Treasury function

The group treasury department monitors liquidity daily to ensure that the subsidiaries' bank accounts are funded to meet operational requirements. Bank account movements are monitored daily and are flagged for any issues requiring attention. Creditors are paid on a monthly or bi-weekly schedule.

f) Hard currency secured local currency facilities

Local currency facilities that are secured by hard currency deposits are reviewed on a quarterly basis. Local facility debt tenors and repayment schedules are matched with the weighted average term of the debtor's books.

The following table shows the undiscounted cash flow of the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings, based on the remaining period at the consolidated 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.

Excess liquidity generated within the next twelve months will be reinvested into later periods. Financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On demand (>1 month)	1 to 12 months	2 to 5 years	More than 5 years
2018	29,217,761	62,986,884	76,027,823	10,479,598
2017	25,651,854	52,421,917	61,852,079	4,913,901

The group has a capital raising strategy that is composed of:

- Obtaining new funding lines through strategic acquisitions;
- Issuing local currency bonds;
- Obtaining concessional funding at reduced cost ring-fenced for disbursement of impact loans; and
- Refinancing costly third-party debt facilities.

These capital raising strategies will mitigate any short-term liquidity requirements. In the long-term, the group's net investments will deliver a positive net return, effectively allowing the group to settle its liquidity shortage.

VII. Capital management

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

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 8, 22, 21 & 24, cash and cash equivalents disclosed in note 18, and as disclosed in the consolidated statement of financial position.

To maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital based on the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest-bearing borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2018 and 2017 respectively were as follows:

41. Risk management (continued)

Subsidiary foreign currency loan exposures at 30 June Figures in €		2018	2017
Loans from related parties	8	28,068,943	37,172,211
Loans from shareholders	8	2,365,798	4,774,000
Other financial borrowings	21	88,292,961	63,396,605
Finance lease obligation	22	201,725	143,336
Deposits from customers	24	20,668,749	11,493,563
		139,598,176	**116,979,715**
Less: Cash and cash equivalents	18	(12,048,470)	(10,683,568)
Net debt		**127,549,706**	**106,296,147**
Total equity		23,968,909	20,233,627
Total capital		**151,518,615**	**126,529,774**
Gearing ratio		**84%**	**84%**

The gearing ratio remained fairly constant with the prior year as the borrowings and equity increased in similar ratios. The group evaluates and manages its compliance to debt covenants monthly. Where covenants are under threat of non-compliance immediate remedial actions are taken to ensure continued compliance. The group reports these covenants to investors on a quarterly basis. The primary covenants that the group needs to comply with include:

- A minimum net worth ratio, ensuring that the group maintains a net asset value of two times the outstanding principal debt owing;
- Interest cover ratio, ensuring that the profit before interest and tax remains at a level of two times the total interest payable;
- Liquidity ratio, ensuring that current assets are equal to or greater than the current liabilities;
- Gearing ratio, ensuring that the net debt remains at a specified level of less than three times the total equity;
- Foreign currency risk ratio. In this ratio, the net un-hedged hard currency open position needs to be below 20% of the equity; and
- Portfolio at risk (PAR) 45-day ratio. This ratio assesses the percentage of loans within the loan book that are past due for more than 45 days. The ratio allows a maximum level of 15% of the total book value.

Minimum capital requirements for banking regulatory requirements in Mozambique

In quarter one of the fiscal year 2019 MyBucks Banking Corporation Limited in Mozambique requires an additional €8.2 million (MZN570 million) to ensure compliance with the minimum capital requirement of €16.4 million (MZN1.14 billion) by April 2019. By April 2020 the minimum capital requirement is €24.5 million (MZN1.7 billion). (exchange rate of 69.55 €/MZN)

41. Risk management (continued)

Debt covenant breaches (note 21)

Due to the breaches in covenants, the liabilities affected were reclassified to current notwithstanding the terms associated with this debt. The group and the board of directors are actively monitoring these breaches and working on rectifying the matters.

	Value associated with facility	Requirement	Actual
Vienna bond covenant breaches	**8,205,000**		
Consolidated total borrowings to consolidated net worth of parent		4 : 1	5.43 : 1
Minimum equity		25.0 million	23.9 million
Interest cover ratio		>1	0.68
Botswana bond covenant breaches (tranche 1)	**3,802,861**		
MyBucks gearing ratio		> 20%	16%
Encumbrances of indebtedness restricted to 10% of receivables		10%	15%
Mintos facilities covenant breaches	**4,221,705**		
Interest cover ratio		>1 till 30 June 208	0.68
TLG facility covenant breaches	**9,197,190**		
Interest cover ratio		>1 till 30 June 208	0.68
Financial gearing ratio		4	5.2
Return on assets		0%	(5%)

42. Share based payments

Employee share option incentive scheme

The group engages in equity settled share-based payment transactions in respect of services received from certain of its employees. The fair value of the services received is measured by reference to the fair value of the share options granted on the date of the grant. The cost of the employee services received in respect of the share options granted is recognised in the consolidated statement of profit or loss and other comprehensive income over the period that the services are received, which is the vesting period. MyBucks' Board of Directors approved the employee share option plan on the 1st of May 2016. Participation in the scheme is at the Board's discretion and no individual has a contractual right to participate in the scheme or to receive any guaranteed benefits.

First share option scheme

On the 1st of May 2016, the Board of Directors granted 412 500 options in the shares of the Company with an expiry date of 30 April 2021 and an exercise price of €9.00 per share. Under the plan, participants may only exercise the share options to the extent the share options have vested based on the terms of service. As of the 30th of June 2016, MyBucks had granted options with two separate vesting schedules:

- 100,000 stock options were granted vesting 1/3rd on 1 May 2016, 1/3rd on 30 June 2016 and 1/3rd on 30 June 2017;
- 312,500 stock options were granted vesting 40% on 1 May 2017, 30% on 1 May 2018 and 30% on 1 May 2019.

As at 30 June 2018 there were 296,500 options granted in 2016 outstanding (2017: 323,000). The decrease is the result of resignations of employees during the period.

Second share option scheme

On the 5th of March 2018, the Board of Directors granted 725,000 options in the shares of the Company with an expiry date of 5 March 2023 and an exercise price of €13.50 per share. Under the plan, participants may only exercise the share options to the extent the share options have vested based on the terms of service. MyBucks has granted options with two separate vesting schedules:

- 200,000 stock options were granted vesting 1/3rd on 5 March 2018, 1/3rd on 1 January 2019 and 1/3rd on 1 January 2020;
- 525,000 stock options were granted vesting 1/3rd on 1 January 2019, 1/3rd on 1 January 2020 and 1/3rd on 1 January 2021.

As at 30 June 2018 there were 725,000 options granted outstanding.

Fair value determination

The fair value of the options granted is determined using the option pricing model, which considers the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

	1 May 2016	1 May 2016	5 March 2018	5 March 2018
Number of options granted	100,000	312 500	200,000	525,000
Exercise price, €	9.00	9.00	13.50	13.50
Vesting dates - Tranche 1	01-May-16	01-May-17	05-Mar-18	01-Jan-19
Vesting dates - Tranche 2	30-Jun-16	01-May-18	01-Jan-19	01-Jan-20
Vesting dates - Tranche 3	30-Jun-17	01-May-19	01-Jan-20	01-Jan-21
Exercisable until	30-Apr-21	30-Apr-21	05-Mar-23	05-Mar-23

42. Share based payments (continued)

	2018	2017
Share option group	Number	Number
Outstanding at the beginning of the year	323,000	412,500
Expired due to service termination	(26,500)	(89,500)
New options granted	725,000	-
Outstanding at the end of the year	**1,021,500**	**323,000**
Vested and exercisable at the end of the year	322,414	215,000

Share based payment expense

The group recognised in the year ending 30 June 2018 a share-based expense of €222,867(2017: €645,925).

Expected share-based expense going forward based on the granted options is as follows:

	June 2019	June 2020	June 2021	Total
Expense	406,689	137,793	33,469	577,951

43. Commitments

Operating leases - as lessee (expense) Figures in €	2018	2017
Minimum lease payments due		
- within one year	1,111,815	987,353
- in second to fifth year inclusive	1,775,073	1,451,901
- more than five years	896,638	-
The total future minimum sublease payment expected to be made under non-cancellable sublease	**3,783,526**	**2,439,254**

Operating lease payments represent rentals payable by the group for premises and office equipment. No contingent rent is payable.

44. Emoluments of directors and key management

Figures in €	2018	2017
Directors' emoluments		
Executive directors	304,035	267,948
Non-executive directors	171,174	24,779
Key management	924,516	989,130

As at 30 June 2018 600,000 share options were held by directors of the parent entity. (2017: 100,000)

45. Related parties

Transactions with related parties through profit or loss

	Interest (received) / paid		Other (income) / expense	
Figures in €	2018	2017	2018	2017
Aeneas Holdings AG	-	13,848	-	-
Sunblaze Investment Holdings	81,858	102,393	-	-
Tailored Investments Limited	(3,668,583)	419,998	-	-
Opportunity International U.S	386,412	-	-	-
Opportunity Transformation Investments U.S.	24,608	-	-	-
Carcharias Holdings	(1,272)	9,168	-	-
Ecsponent Capital (RF) Limited	(295,816)	(150,682)	-	-
Ecsponent Capital Proprietary Limited	-	(150,217)	-	-
GetBucks SMME Lending Proprietary Limited	(137,349)	-	-	-
Mylesland Investments	-	41,716	-	-
RBC CEES Trustee Limited	2,153,111	3,224,811	-	-
Vanguard Holdings Limited	964	4,012	-	-
Wheatfields Investments Proprietary Limited	15,167	36,123	-	-
Morepower Investments	-	-	(779,289)	77,307
MHMK Group Limited	(120,438)	-	-	-
Brainworks Capital Management Limited (Mauritius)	(98,262)	(60,684)	-	-
Brainworks Capital Management Limited (Zimbabwe)	(604,784)	(400,269)	-	-
Brainworks Capital Management Limited (EG)	-	18,954	-	-
Ecsponent Treasury Services Proprietary Limited	3,579,922	2,882,036	-	-
Ecsponent Projects Proprietary Limited	(346,712)	(705,732)	-	-
Ecsponent Limited (South Africa)	(763,406)			
Ecsponent Limited (Swaziland)	2,018,101	-	-	-
Ecsponent Financial Services Limited (Zambia)	187,077	77,164	-	-
SureChoice Proprietary Limited	706,185	100,085	100,393	-
Botswana Teachers Union	14,375	-	(92,780)	-
J&W Thorpe Proprietary Limited	35,724	-	-	-
DTM Capital Proprietary Limited	141,927	-	-	-
Fintech Campus Proprietary Limited	(64,404)			
Tsepo Financial Services Proprietary Limited	(9,638)			

45. Related parties (continued)

MyBucks – shareholding

	Number of shares#	%
Sunblaze Investment Holdings Incorporated	2,599,480	20.44%
Ecsponent Limited*	1,544,000	12.14%
Tailored Investments Limited (ECS)*	2,546,938	20.03%
Nuy Investment Holdings B.V. (ECS)*	150,000	1.18%
Redwood Capital**	1,199,590	9.43%
Ecsponent Projects (Proprietary) Limited	798,183	6.28%
Infinitum Limited**	1,080,000	8.49%
Apeiron Investment Group Limited	220,000	1.73%
Opportunity International	150,000	1.18%
Van Niekerk Investment Holdings B.V.	8,889	0.07%
Free float	2,418,532	19.03%
Total	**12,715,612**	**100.00%**

* Ecsponent Limited has reached an agreement to acquire these shares.
** Redwood Capital has a put option on its shares (1,199,590) to Infinitum Limited at €6 per share.

Related party amounts included in other borrowings (note 21)

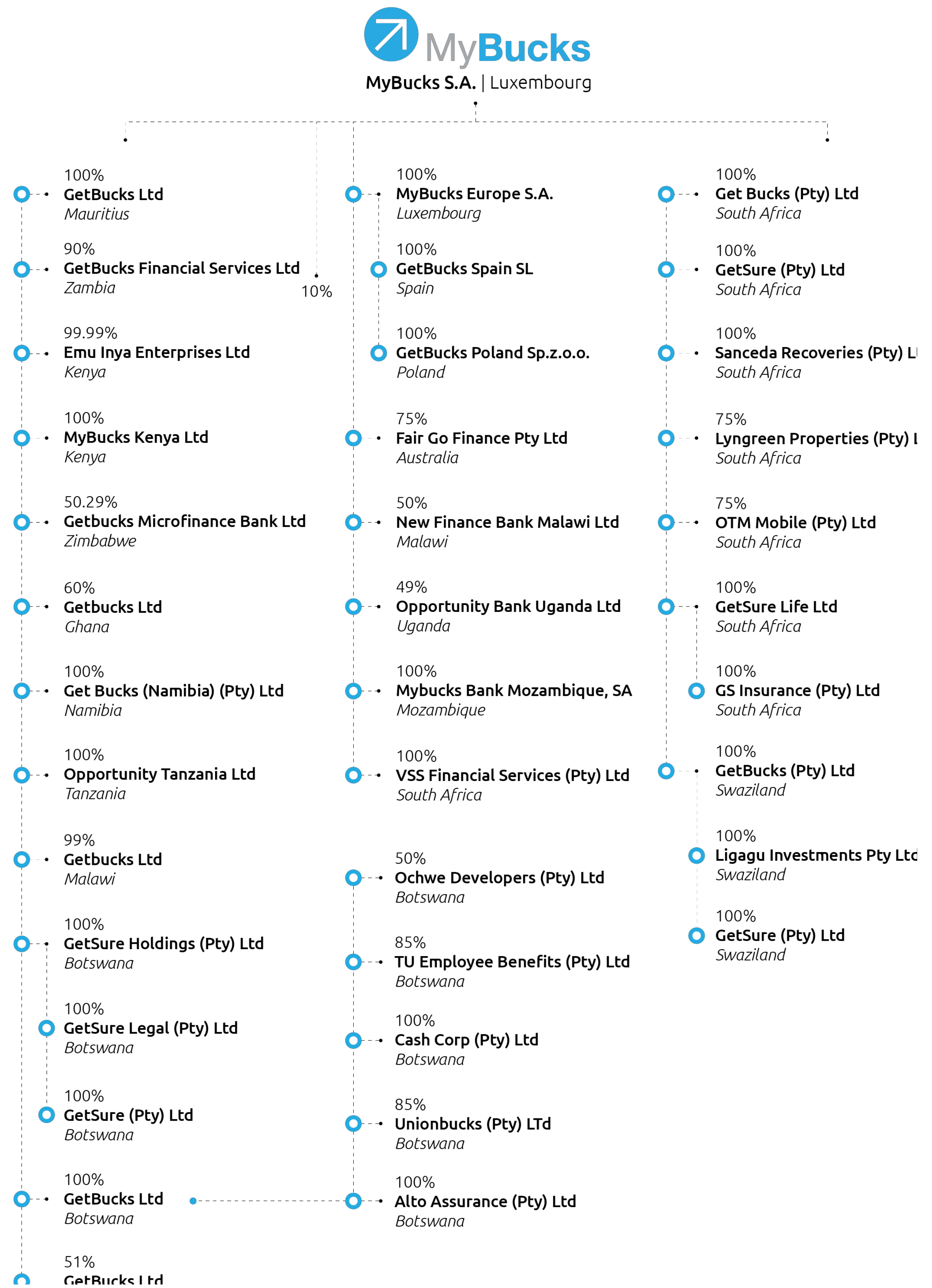
Figures in €	2018	2017
Vienna bonds		
Infinitum Limited and related entities	1,100,000	1,100,000
Van Niekerk Investment Holdings B.V.	50,000	-
Nuy Investment Holdings B.V.	50,000	-
Tailored Investments Limited	3,800,000	-
Botswana bonds		
Ecsponent Limited	4,100,377	
DTM Capital Proprietary Limited	1,238,313	-
Carcharias Holdings	8,200	-
MHMK Investment Holdings and related entities	16,400	-
Mylesland Investment Holdings	8,200	-
Tim Nuy and related	16,400	-

45. Related parties (continued)

Related parties and relationship	Country	Relationship
Ecsponent group entities		
Ecsponent Financial Services Limited (Zambia)	Zambia	Subsidiary of group shareholder
Ecsponent Limited (Swaziland)	Swaziland	Subsidiary of group shareholder
Ecsponent Credit Services Proprietary Limited	South Africa	Subsidiary of group shareholder
Ecsponent Projects Proprietary Limited	South Africa	Subsidiary of group shareholder
SureChoice Proprietary Limited	Botswana	Subsidiary of group shareholder
Brainworks group entities		
Brainworks Capital Management Limited	Mauritius	Entity related to a director
Brainworks Capital Management Limited	Zimbabwe	Entity related to a director
Brainworks Capital E.G. S.L.	EG	Entity related to a director
Minority shareholders in group-controlled entities		
Bridgeport 089 (Pty) Ltd	South Africa	Lyngreen Proprietary Limited
Faulu Uganda Trust Limited	Uganda	Opportunity Bank of Uganda
Finsbury Investments Limited	Malawi / Zambia	Joint Venture partner in NFB
Food for the Hungry	Uganda	Opportunity Bank of Uganda
Labour College (Pty) Ltd (Botswana Teachers Union)	Botswana	TU Loans Proprietary Limited
Opportunity International U.S	USA	Opportunity Bank of Uganda
Opportunity Transformation Investments (US)	USA	Opportunity Bank of Uganda
Stela Welsh Proprietary Limited	Australia	FairGo Finance Proprietary Limited
Other		
DTM Capital Proprietary Limited	Botswana	Entity related to a director
Ecsponent Capital (RF) Limited	South Africa	Entity related to a director
GetBucks SMME Lending Proprietary Limited	South Africa	Entity related to a director
Fintech Campus Proprietary Limited	South Africa	Entity related to a director
MHMK Group Limited	Mauritius	Entity related to a director
Tsepo Financial Services Proprietary Limited	Lesotho	Other
Stodaflo Proprietary Limited	South Africa	Entity related to a director
Corporations related to shareholders		
Carcharias Holdings Limited	Mauritius	Entity related to a director
IBMOC (Proprietary) Limited	Botswana	Entity related to a director
Morepower Investments Proprietary Limited	Botswana	Entity related to a director
Mylesland Investment Holdings Limited	Mauritius	Entity related to a director
Aeneas Holdings AG	Austria	Entity related to a major shareholder
Sunblaze Investment Holdings Limited	Samoa	Entity related to a director
Tailored Investments Limited	Mauritius	Entity related to a major shareholder
J&W Thorpe	Australia	Entity related to a minority shareholder
RBC CEES Trustee Limited	United Kingdom	Entity related to a director
Vanguard Holdings Limited	South Africa	Entity related to a director
Wheatfields (Proprietary) Limited	South Africa	Entity related to a director

45. Related parties (continued)

Group structure indicating holding %



46. Segmental reporting

Summary of segments

The group has identified its reportable segments based on business activities with a secondary segment on country specific level. The segments also reflect how the group's businesses are managed and reported to the Chief Operating Decision Maker ("CODM"). The CODM primarily uses the net profit after tax to assess the performance of the operating segments. The CODM also receives monthly information about the segments' loans to clients.

As all the operating segments of the group are engaged in similar business activities, the 10% criteria has been applied on total revenue to identify the reportable segments.

Other captions include smaller countries not reported separately as they do not constitute material businesses compared to segments showed separately as they do not meet the 10% criteria defined for the reportable segments. This includes the following countries: Austria, Ghana, Equatorial Guinea, and Namibia for the 2017 financial year.

Operational segments:

Banking segment consists of the countries where deposit taking licences are maintained. NFB forms part of this segment, even though this is a joint venture.

Lending segment consists off the entities that functions as micro lending entities.

Technology and management services (Tech) consists of the supporting entities as well as the entities where software technology is developed and hosted.

These operational segments are further sub-divided into the various countries which makes the operational segment.

46. Segmental reporting (continued)

Group

2018	Banking	Lending	Tech and management	Eliminations	Continued operations	Discontinued operations
Revenue	20,995,577	40,473,188	-	(161,666)	61,307,099	602,603
Loan book impairment charges	(874,217)	(10,959,962)	-	(2)	(11,834,181)	(666,061)
Other income	2,267,349	6,585,482	819,390	(2,879,739)	6,792,482	430,279
Operating expenses	(13,408,519)	(18,359,629)	(13,407,412)	2,819,690	(42,355,870)	(1,059,091)
Profit from joint venture	110,752	-	-	419,421	530,173	-
Operating profit/(loss)	**9,090,942**	**17,739,079**	**(12,588,022)**	**197,704**	**14,439,703**	**(692,270)**
Investment revenue	1,108,728	1,694,022	841,625	27,103	3,671,478	-
Finance costs	(1,965,611)	(11,694,866)	(9,178,639)	115,428	(22,723,688)	(101,521)
Intercompany charges	(734,171)	(502,283)	4,337,902	(3,101,448)	-	-
Profit/(loss) before tax	**7,499,888**	**7,235,952**	**(16,587,134)**	**(2,761,213)**	**(4,612,507)**	**(793,791)**
Taxation	(1,290,093)	(1,687,035)	(54,908)	445,378	(2,586,658)	(198,977)
Profit/(loss) after tax	**6,209,795**	**5,548,917**	**(16,642,042)**	**(2,315,835)**	**(7,199,165)**	**(992,768)**
Intangible assets	108,095	955,272	3,439,777	1,263,523	5,766,667	218,798
Management intercompany assets	-	-	39,024,783	(39,024,783)	-	-
Loan book	47,191,316	38,531,699	-	-	85,723,015	72,452
Other assets	25,428,697	38,918,666	11,076,639	8,666,043	84,090,045	127,879
Total assets	**72,728,108**	**78,405,637**	**53,541,199**	**(29,095,217)**	**175,579,727**	**419,129**
Management intercompany liabilities	-	-	24,689,743	(24,689,743)	-	-
Other liabilities	45,554,885	62,957,762	46,301,240	(3,203,069)	151,610,818	383,519
Total liabilities	**45,554,885**	**62,957,762**	**70,990,983**	**(27,892,812)**	**151,610,818**	**383,519**

Notes to the consolidated financial statements
as at 30 June

46. Segmental reporting (continued)

Group

2017	Banking	Lending	Tech and management	Eliminations	Continued operations	Discontinued operations
Revenue	17,826,424	37,916,087	(1,393)	50,226	**55,791,344**	**421,709**
Loan book impairment charges	(1,539,868)	(10,866,845)	-	212,273	**(12,194,440)**	**(1,504,998)**
Other income	1,762,165	1,184,768	(4,975,747)	8,540,420	**6,511,606**	**13**
Operating expenses	(11,674,212)	(15,851,296)	(20,195,587)	9,022,667	**(38,698,428)**	**(949,076)**
Operating profit/(loss)	**6,374,509**	**12,382,714**	**(25,172,727)**	**17,825,586**	**11,410,082**	**(2,032,352)**
Investment revenue	999,100	507,322	1,177,111	2	**2,683,535**	**20,403**
Finance costs	(1,806,947)	(11,466,633)	(4,988,226)	(3,064,583)	**(21,326,389)**	**-**
Intercompany charges	(1,839,438)	(5,209,456)	18,732,964	(11,684,070)	**-**	**-**
Profit/(loss) before tax	**3,727,224**	**(3,786,053)**	**(10,250,878)**	**3,076,935**	**(7,232,772)**	**(2,011,949)**
Taxation	(1,121,047)	(1,466,610)	(782,260)	(58,784)	**(3,428,701)**	**(340,728)**
Profit/(loss) after tax	**2,606,177**	**(5,252,663)**	**(11,033,138)**	**3,018,151**	**(10,661,473)**	**(2,352,677)**
Intangible assets	140,671	1,154,014	3,314,502	1,619,075	**6,228,262**	**-**
Management intercompany assets	-	-	145,146,481	(145,146,481)	**-**	**-**
Loan book	25,154,725	43,182,671	-	189,532	**68,526,928**	**-**
Other assets	20,963,778	47,207,290	27,067,836	(13,299,376)	**81,939,528**	**17,326**
Total assets	**46,259,174**	**91,543,975**	**175,528,819**	**(156,637,250)**	**156,694,718**	**17,326**
Management intercompany liabilities	-	-	23,834,552	(23,834,552)	**-**	**-**
Other liabilities	24,412,627	84,233,061	53,569,934	(25,754,531)	**136,461,091**	**2,389,650**
Total liabilities	**24,412,627**	**84,233,061**	**77,404,486**	**(49,589,083)**	**136,461,091**	**2,389,650**

Notes to the consolidated financial statements
as at 30 June

46. Segmental reporting (continued)

Banking segment

	2018							2017			
	Zimbabwe	**Uganda**	**Mozambique**	**NFB**	**Banking**	**NFB Adjustment**	**Total Banking**	**Zimbabwe**	**Uganda**	**Mozambique**	**Total Banking**
Revenue	9,945,708	6,067,836	4,982,033	5,019,924	26,015,501	(5,019,924)	**20,995,577**	11,615,278	3,902,999	2,308,147	**17,826,424**
Loan book impairment charges	(166,511)	(291,833)	(415,873)	(789,994)	(1,664,211)	789,994	**(874,217)**	(916,545)	(579,643)	(43,680)	**(1,539,868)**
Other income	558,871	1,122,485	585,993	515,576	2,782,925	(515,576)	**2,267,349**	335,914	776,654	649,597	**1,762,165**
Operating expenses	(4,354,431)	(5,062,531)	(3,991,557)	(6,910,314)	(20,318,833)	6,910,314	**(13,408,519)**	(4,308,067)	(3,937,691)	(3,428,454)	**(11,674,212)**
Profit from joint venture	-	-	-	-	-	110,752	**110,752**	-	-	-	**-**
Operating profit/(loss)	**5,983,637**	**1,835,957**	**1,160,596**	**(2,164,808)**	**6,815,382**	**2,275,560**	**9,090,942**	**6,726,580**	**162,319**	**(514,390)**	**6,374,509**
Investment revenue	606,043	502,685	-	2,395,755	3,504,483	(2,395,755)	**1,108,728**	446,762	552,338	-	**999,100**
Finance costs	(808,089)	(932,393)	(225,129)	(262,374)	(2,227,985)	262,374	**(1,965,611)**	(1,033,807)	(500,655)	(272,485)	**(1,806,947)**
Intercompany charges	(695,177)	-	(38,994)	-	(734,171)	-	**(734,171)**	(1,650,298)	(21,890)	(167,250)	**(1,839,438)**
Profit/(loss) before tax	**5,086,414**	**1,406,249**	**896,473**	**(31,427)**	**7,357,709**	**142,179**	**7,499,888**	**4,489,237**	**192,112**	**(954,125)**	**3,727,224**
Taxation	(1,274,890)	(442,490)	427,287	252,932	(1,037,161)	(252,932)	**(1,290,093)**	(1,156,074)	35,027	-	**(1,121,047)**
Profit/(loss) after tax	**3,811,524**	**963,759**	**1,323,760**	**221,505**	**6,320,548**	**(110,753)**	**6,209,795**	**3,333,163**	**227,139**	**(954,125)**	**2,606,177**
Intangible assets	75,331	26,810	5,954	947,025	1,055,120	(947,025)	**108,095**	75,086	58,982	6,603	**140,671**
Loan book	17,533,781	16,206,719	13,450,816	15,506,251	62,697,567	(15,506,251)	**47,191,316**	11,397,328	10,666,798	3,090,599	**25,154,725**
Other assets	8,986,791	10,402,942	6,038,964	39,686,796	65,115,493	(39,686,796)	**25,428,697**	7,454,028	7,470,530	6,039,220	**20,963,778**
Total assets	**26,595,903**	**26,636,471**	**19,495,734**	**56,140,072**	**128,868,180**	**(56,140,072)**	**72,728,108**	**18,926,442**	**18,196,310**	**9,136,422**	**46,259,174**
Total liabilities	**12,360,505**	**19,781,732**	**13,412,648**	**51,557,095**	**97,111,980**	**(51,557,095)**	**45,554,885**	**7,113,275**	**11,982,394**	**5,316,958**	**24,412,627**

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as at 30 June

46. Segmental reporting (continued)

Lending segment

2018	Australia	Botswana	Kenya	Malawi	South Africa	Swaziland	Tanzania	Zambia	Namibia	Total lending
Revenue	4,205,494	7,149,409	3,445,092	1,506,270	13,328,389	2,153,596	412,873	8,090,163	181,902	**40,473,188**
Loan book impairment charges	(1,295,141)	(313,289)	(1,614,957)	288,978	(7,415,415)	(383,931)	374,822	(567,294)	(33,735)	**(10,959,962)**
Other income	55,627	462,329	362,250	1,397,712	4,193,871	5,580	105,791	2,223	99	**6,585,482**
Operating expenses	(2,698,259)	(3,753,599)	(1,773,534)	(2,684,738)	(4,263,159)	(672,756)	(695,540)	(1,713,406)	(104,638)	**(18,359,629)**
Profit from joint venture	-	-	-	-	-	-	-	-	-	-
Operating profit	**267,721**	**3,544,850**	**418,851**	**508,222**	**5,843,686**	**1,102,489**	**197,946**	**5,811,686**	**43,628**	**17,739,079**
Investment revenue	-	832,431	109,741	6,719	649,739	22,269	2,513	53,438	17,172	**1,694,022**
Finance costs	(496,361)	(2,044,699)	(1,085,925)	(296,979)	(4,299,628)	(2,020,083)	14,536	(1,465,727)	-	**(11,694,866)**
Intercompany charges	-	45,400	(24,402)	(31,710)	(433,444)	1,514,555	12,336	(1,585,018)	-	**(502,283)**
Profit/(loss) before tax	**(228,640)**	**2,377,982**	**(581,735)**	**186,252**	**1,760,353**	**619,230**	**227,331**	**2,814,379**	**60,800**	**7,235,952**
Taxation	723,621	(701,229)	(57,031)	(103,575)	(121,200)	(182,288)	(2,400)	(1,242,933)	-	**(1,687,035)**
Profit/(loss) after tax	**494,981**	**1,676,753**	**(638,766)**	**82,677**	**1,639,153**	**436,942**	**224,931**	**1,571,446**	**60,800**	**5,548,917**
Intangible assets	352,871	-	9,963	-	558,739	-	33,395	394	(90)	**955,272**
Loan book	5,095,417	8,302,580	3,762,549	793,610	8,882,858	2,364,984	399,707	8,782,477	147,517	**38,531,699**
Other assets	1,051,335	7,278,599	1,813,431	3,409,199	17,459,173	587,427	288,857	6,990,151	40,494	**38,918,666**
Total assets	**6,499,623**	**15,581,179**	**5,585,943**	**4,202,809**	**26,900,770**	**2,952,411**	**721,959**	**15,773,022**	**187,921**	**78,405,637**
Total liabilities	**4,403,588**	**11,645,109**	**5,631,257**	**2,556,902**	**21,221,679**	**2,170,761**	**732,601**	**14,137,942**	**457,923**	**62,957,762**

Notes to the consolidated financial statements
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46. Segmental reporting (continued)

Lending segment

2017	Australia	Botswana	Kenya	Malawi	South Africa	Swaziland	Tanzania	Zambia	Other	Total lending
Revenue	1,974,339	7,789,811	4,786,455	4,589,849	9,943,519	1,586,592	836,353	6,369,503	39,666	**37,916,087**
Loan book impairment charges	(408,288)	(679,456)	(3,826,574)	(134,538)	(3,469,170)	(306,700)	(1,543,433)	(483,805)	(14,881)	**(10,866,845)**
Other income	178,999	88,544	91,715	(755)	600,279	-	251,183	(663)	(24,534)	**1,184,768**
Operating expenses	(1,545,909)	(3,856,354)	(2,217,840)	(1,776,948)	(3,862,620)	(480,986)	(1,267,503)	(559,131)	(284,005)	**(15,851,296)**
Operating profit/(loss)	**199,141**	**3,342,545**	**(1,166,244)**	**2,677,608**	**3,212,008**	**798,906**	**(1,723,400)**	**5,325,904**	**(283,754)**	**12,382,714**
Investment revenue	-	128,754	130,411	5,634	175,199	28,412	6,468	13,518	18,926	**507,322**
Finance costs	(259,769)	(1,105,681)	(1,741,209)	(1,715,665)	(2,706,330)	(613,138)	(18,110)	(2,956,108)	(350,623)	**(11,466,633)**
Inter Company	-	(1,479,076)	(950,230)	(145,347)	(663,408)	82,786	(189,047)	(2,423,130)	557,996	**(5,209,456)**
Profit/(loss) before tax	**(60,628)**	**886,542**	**(3,727,272)**	**822,230**	**17,469**	**296,966**	**(1,924,089)**	**(39,816)**	**(57,455)**	**(3,786,053)**
Taxation	(48,409)	(356,518)	(448,978)	(71,764)	22,869	(88,276)	(7,562)	(464,494)	(3,478)	**(1,466,610)**
Profit/(loss) after tax	**(109,037)**	**530,024**	**(4,176,250)**	**750,466**	**40,338**	**208,690**	**(1,931,651)**	**(504,310)**	**(60,933)**	**(5,252,663)**
Intangible assets	205,758	-	18,360	-	908,357	-	21,171	368	-	**1,154,014**
Loan book	3,901,786	6,269,206	4,627,281	3,745,730	12,076,010	2,026,311	571,153	9,882,737	82,457	**43,182,671**
Other assets	1,940,718	8,140,855	8,672,754	3,855,281	13,160,699	5,150,015	620,125	5,068,205	598,638	**47,207,290**
Total assets	**6,048,262**	**14,410,061**	**13,318,395**	**7,601,011**	**26,145,066**	**7,176,326**	**1,212,449**	**14,951,310**	**681,095**	**91,543,975**
Total liabilities	**4,516,553**	**11,959,529**	**15,576,384**	**6,012,696**	**21,731,370**	**6,781,514**	**1,567,720**	**15,322,371**	**764,924**	**84,233,061**

Notes to the consolidated financial statements

as at 30 June

46. Segmental reporting (continued)

Technology and management services segment

	2018				2017			
	Luxembourg	South Africa	Mauritius	Tech and management	Luxembourg	South Africa	Mauritius	Tech and management
Revenue	-	-	-	-	-	(1,393)	-	(1,393)
Loan book impairment charges	-	-	-	-	-	-	-	-
Other income	171,269	615,688	32,433	819,390	55,091	-	(5,030,838)	(4,975,747)
Operating expenses	(2,381,236)	(10,366,464)	(659,712)	(13,407,412)	(8,349,250)	(6,448,638)	(5,397,699)	(20,195,587)
Profit from joint venture	-	-	-	-	-	-	-	-
Operating profit/(loss)	**(2,209,967)**	**(9,750,776)**	**(627,279)**	**(12,588,022)**	**(8,294,159)**	**(6,450,031)**	**(10,428,537)**	**(25,172,727)**
Investment revenue	24,327	765	816,533	841,625	-	49,649	1,127,462	1,177,111
Finance costs	(1,849,310)	(2,108)	(7,327,221)	(9,178,639)	(1,740,464)	(38,360)	(3,209,402)	(4,988,226)
Intercompany charges	238,929	4,621,231	(522,258)	4,337,902	1,174,882	5,298,418	12,259,664	18,732,964
Profit/(loss) before tax	**(3,796,021)**	**(5,130,888)**	**(7,660,225)**	**(16,587,134)**	**(8,859,741)**	**(1,140,324)**	**(250,813)**	**(10,250,878)**
Taxation	93,326	(28,152)	(120,082)	(54,908)	(320,714)	(3,497)	(458,049)	(782,260)
Profit/(loss) after tax	**(3,702,695)**	**(5,159,040)**	**(7,780,307)**	**(16,642,042)**	**(9,180,455)**	**(1,143,821)**	**(708,862)**	**(11,033,138)**
Intangible assets	-	2,398,309	1,041,468	3,439,777	1,601,865	435,134	1,277,503	3,314,502
Management intercompany assets	31,027,619	-	7,997,164	39,024,783	120,410,923	-	24,735,558	145,146,481
Other assets	-	3,149,768	7,926,871	11,076,639	4,196,026	5,764,524	17,107,286	27,067,836
Total assets	**31,027,619**	**5,548,077**	**16,965,503**	**53,541,199**	**126,208,814**	**6,199,658**	**43,120,347**	**175,528,819**
Management intercompany liabilities	9,115,087	4,542,269	11,032,387	24,689,743	8,431,022	6,411,100	8,992,430	23,834,552
Other liabilities	19,856,682	754,948	25,689,610	46,301,240	17,365,607	803,755	35,400,572	53,569,934
Total liabilities	**28,971,769**	**5,297,217**	**36,721,997**	**70,990,983**	**25,796,629**	**7,214,855**	**44,393,002**	**77,404,486**

Notes to the consolidated financial statements

as at 30 June

47. Events after the reporting date

Acquisition of Spotco Holdings (Pty) Ltd by FairGo Finance (Pty) Ltd in Australia.

The group entered into an agreement to acquire a 100% stake in Spotco Holdings (Pty) Ltd and subsequently completed this acquisition on 1 August 2018 against a consideration of €7,079,476 (AUD10,913,012). Total consideration based on exchange rate of (AUD/EUR) 1.5415.

The acquisition will give the group a greater share of the Australian market by combining the current Australian operations and this acquisition. The acquisition results in MyBucks having the 5th largest micro finance group in Australia.

The acquisition also offers the group various new revenue streams denominated in hard currency and thus reducing potential foreign exchange exposure.

Percentage acquired	Acquisition date
100%	1 August 2018

Currently the accounts of the entity is still being audited. MyBucks expects to complete the purchase price allocation for the above acquisition prior to 30 June 2019, being fully reflective in next year's audited accounts.

As per the requirements of IFRS 3 the fair values presented for these acquisitions are incomplete due to the following key factors:

- The valuation of certain loans and advances have not been completed. This is since management believes there may facts and circumstances that existed at the acquisition date that have not been factored into the impairment calculations of these loans;
- The identification of intangible assets and valuation of property and equipment has not yet been completed as at the date of this report; and
- Establishment of contingent liabilities has not yet been completed as at the date of this report.

This acquisition was funded through a loan facility from Alexander Funds Management (AFM). The facility amount from AFM was €3,892,313 (AUD6,000,000) with interest of Australian base rate plus 11% and a maturity of 36 months.

Summarised unaudited financial information of Spotco Holdings (Pty) Ltd in €:

Property and equipment	Loan book	Cash and cash equivalents	Other assets	Total assets	Total liabilities	Net asset value	Consideration	Goodwill/ (Bargain purchase)
46,813	5,872,565	1,140,112	952,404	**8,011,894**	**932,418**	**7,079,476**	7,079,476	-

Offer to purchase additional 50% of New Finance Bank Limited

On 6 September 2018, the group made an irrevocable offer to purchase 50% of the shares, held by Finsbury Investments Limited, in New Finance Bank Limited in Malawi. This offer has been accepted by Finsbury Investment Limited, however is pending the approval of the Central bank of Malawi.

Funding lines obtained in Mozambique

New funding lines amounting to €5,9 million was received in Mozambique from various entities. These funding lines mature in one year with interest rates between 14% and 24%.

MyBucks

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