

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	2016	2015
	MUR	MUR
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,597,388	5,742,632
Intangible asset	1,277,878	602,213
Deferred tax	544,050	544,050
	<b>6,419,316</b>	6,888,895
<b>Current assets</b>		
Other receivables	8,182,054	8,763,004
Deposits with financial institutions	20,212,200	19,400,000
Cash and cash equivalents	60,432,452	65,688,112
<b>Total current assets</b>	<b>88,826,706</b>	93,851,116
<b>TOTAL ASSETS</b>	<b>95,246,022</b>	100,740,011
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	47,025,000	47,025,000
Retained earnings	21,043,530	32,085,485
<b>Total equity</b>	<b>68,068,530</b>	79,110,485
<b>Non-current liabilities</b>		
Deferred tax	614,725	614,725
Retirement benefit obligations	3,832,676	3,627,000
	<b>4,447,401</b>	4,241,725
<b>Current liabilities</b>		
Trade and other payables	22,665,028	17,361,197
Current tax liability	65,063	26,604
	<b>22,730,091</b>	17,387,801
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>95,246,022</b>	100,740,011

Approved by the Board of Directors on 24 March 2017

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Harish Bhojroo	Ashvinath Geerjanan	Ashvin Metturjeet
Chief Executive Officer	Director	Director

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Stated capital	Retained earnings	Total
	MUR	MUR	MUR
<b>At 1 January 2015</b>	47,025,000	45,490,603	92,515,603
Loss for the year	-	(12,320,518)	(12,320,518)
Other comprehensive loss	-	(1,084,600)	(1,084,600)
<b>At 31 December 2015</b>	47,025,000	32,085,485	79,110,485
Loss for the year	-	(11,041,955)	(11,041,955)
Other comprehensive loss	-	-	-
<b>At 31 December 2016</b>	<b>47,025,000</b>	<b>21,043,530</b>	<b>68,068,530</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	MUR	MUR
<b>Cash flows from operating activities</b>		
Loss before tax	(10,814,958)	(11,574,152)
<b>Adjustment for:-</b>		
Depreciation and amortisation	2,741,558	2,700,515
Profit on sale of plant and equipment	-	(679,000)
Interest received	-	(243,951)
Retirement benefits obligations	205,676	345,000
<b>Operating profit before working capital changes</b>	<b>(7,867,725)</b>	(9,451,588)
Decrease in other receivables	580,950	13,837,426
Increase in other payables	5,303,832	4,855,775
<b>Cash (used in)/generated from operations</b>	<b>(1,982,942)</b>	9,241,613
Interest received	-	243,951
Taxation paid	(188,538)	(1,398,615)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,171,480)</b>	8,086,949
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,271,979)	(370,190)
Disposal of plant and equipment	-	679,000
Deposit with financial institutions	(812,200)	(19,400,000)
Proceeds with redemption of deposit with financial institutions		19,600,001
<b>Net cash (used in)/generated from investing activities</b>	<b>(3,084,179)</b>	508,811
<b>Financing activities</b>		
Loans to related companies	-	(8,000,000)
Repayment of loans by related companies	-	5,000,000
<b>Net cash used in financing activities</b>	<b>-</b>	(3,000,000)
Net (decrease) / increase in cash and cash equivalents	(5,255,660)	5,595,760
Cash and cash equivalents at the beginning of the year	65,688,112	60,092,352
Cash and cash equivalents at the end of the year	60,432,452	65,688,112

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	MUR	MUR
<b>Revenue</b>	<b>57,524,055</b>	63,035,138
<b>Administrative expenses</b>	<b>(59,083,967)</b>	(58,609,290)
Exceptional items	(9,255,046)	-
Impairment of related party loans	-	(16,000,000)
<b>Loss before tax</b>	<b>(10,814,958)</b>	(11,574,152)
Taxation	(226,997)	(746,366)
<b>Loss for the year</b>	<b>(11,041,955)</b>	(12,320,518)
<b>Other comprehensive income</b>		
<b>Items that will never be reclassified to profit or loss</b>		
Remeasurements of benefit obligations retirement	-	(1,276,000)
Deferred tax arising on remeasurements benefit obligations retirement	-	191,400
	-	(1,084,600)
<b>Total comprehensive loss for the year</b>	<b>(11,041,955)</b>	(13,405,118)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BRITISH AMERICAN EXCHANGE CO LTD

## Report on the Audit of the Financial Statements

## Opinion

We have audited the financial statements of British American Exchange Co. Ltd (the "Company"), which comprise the statement of financial position as at 31 December 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 20 to 39.

In our opinion, these financial statements give a true and fair view of the financial position of the Company as at 31 December 2016 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary, or any other information. The other information does not include the financial statements and our auditors' report thereon.

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

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

## Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, the Financial Reporting Act 2004 and the Banking Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Other Matter

This report is made solely to the Company's members, in accordance with Section 205 of the Mauritius Companies Act, the Financial Reporting Act 2004 and the Banking Act 2004. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

## Report on Other Legal and Regulatory Requirements

## Mauritius Companies Act

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

## Banking Act 2004

- In our opinion the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius.
- The explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

## The Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures. In our opinion, the disclosures in the Corporate Governance Report are not consistent with the requirements of the Code.

<b>MOORE STEPHENS</b> Chartered Accountants	<b>Sudhir Newaj, FCCA</b> Licensed by FRC
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PORT LOUIS

MAURITIUS

DATE: 24 March 2017