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# MARIS LIMITED AUDITED ACCOUNTS

27TH JUNE - 31ST DECEMBER 2014

IFS COURT  
TWENTYEIGHT CYBERCITY  
EBENE  
MAURITIUS

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<b>CONTENTS</b>	<b>Pages</b>
Corporate data	3
Commentary of the directors	4
Certificate from the Secretary	5
Chairman's report	6
Chief Executive's report	6-7
Independent auditors' report	8-9
Statement of financial position	10
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 - 38

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## CORPORATE DATA

### DIRECTORS

	DATE APPOINTED
Arunagirinatha Rungchien	27 June 2014
Teemulsingh Luchowa	27 June 2014
Charles George Barrington Tryon	07 August 2014
Sandra Robertson	08 September 2014
Marc Jan Albert Beuls	08 September 2014
Nicholas Eustace Haddon Ferguson	25 September 2014
David John Morrison	23 September 2014
Iwan Sebastian Meister	04 November 2014
Henry Awele Obi	04 December 2014

### ADMINISTRATOR AND SECRETARY

International Financial Services Limited  
 IFS Court  
 TwentyEight  
 Cybercity  
 Ebene  
 Republic of Mauritius

### REGISTERED OFFICE

IFS Court  
 TwentyEight  
 Cybercity  
 Ebene  
 Republic of Mauritius

### AUDITORS

Grant Thornton Mauritius  
 Ebene Towe  
 52 Cybercity  
 Ebene  
 Republic of Mauritius

### BANKER

Barclays Bank Mauritius Limited  
 International Banking Division  
 3rd Floor, Barclays House  
 68-68A Cybercity  
 Ebene  
 Republic of Mauritius

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## COMMENTARY OF THE DIRECTORS

The directors present their first report and the audited financial statements of Maris Limited, the “Company”, for the period from 27 June 2014 (date of incorporation) to 31 December 2014.

### PRINCIPAL ACTIVITY

The principal activity of the Company is to achieve long-term value creation, cash generation and income through starting, developing and investing in companies that demonstrate the potential for significant growth domestically and regionally within Africa.

### RESULTS

The results for the period are shown in the statement of comprehensive income and related notes.

### DIRECTORS

The present membership of the Board is set out on page 3.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

### GOODWILL EXPENSED ON TRANSFORMATION

Under IFRS 3, “Business Combinations”, the goodwill arising on the re-organisation and conversion of the Fund into the Company cannot be accounted for as an asset in the statement of financial position of the Company and consequently this premium was expensed in the statement of comprehensive income, resulting in a USD 3,140,747 non-cash charge.

### AUDITORS

The auditors, Grant Thornton, have indicated their willingness to continue in office until the next Annual Meeting.

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## CERTIFICATE FROM THE SECRETARY

(under section 166 (d) of the Mauritius Companies Act 2001).

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of Maris Limited under the Mauritius Companies Act 2001 for the period from 27 June 2014 (date of incorporation) to 31 December 2014.



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for International Financial Services Limited  
Secretary

Registered Office:

IFS Court  
TwentyEight  
Cybercity  
Ebene  
Mauritius

Date : 19 MAY 2015

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## CHAIRMAN'S REPORT

The Maris Africa Fund Limited Liability Partnership (“the Fund”) was reorganised into Maris Limited on 8th September 2014. Following the reorganisation, a rights issue raised a total of USD32.7m, at a pre-money valuation of USD57m, which was based on the asset value of the Company’s portfolio, plus an allowance for goodwill. The rights issue was followed by the buyback of shares from former Limited Partners of the Fund for USD6.1m, resulting in net cash of USD26.6m. The details of the rights issue, various non-recurring items associated with the transformation and the treatment of the goodwill are considered in the notes to these accounts.

Subsequent to the transformation, Nicholas Ferguson, Marc Beuls, Iwan Meister, Henry Obi and I, all of whom had, hitherto, sat on the Advisory Committee of the limited partnership, joined the board of the Company, as did Sandra Robertson, the CEO and CIO of Oxford University Endowment Management. In addition, Ashis Luchowa and Vehlen Runghien of IFS, the Company’s Mauritian Administrator, also joined the board. More recently, Enrico Nora has taken up the role of Chief Financial Officer of the Company.

An Audit, Risk and Valuation Committee has been established, chaired by Nicholas Ferguson, as has a Remuneration Committee, chaired by Marc Beuls, and a Nominations Committee chaired by me. The Company is fortunate to have a board with strong investment, operational and relevant geographical experience and I am grateful to all the board members for their contribution during this period of transformation.

As this set of accounts covers a short period and there is limited relevant comparative data, the report below from the Chief Executive Officer provides a brief commentary on operating performance. In future, it is planned to provide a more comprehensive set of reports, similar to those required for a public Company, which, when combined with the quarterly reports already sent to all shareholders, will, we trust, provide all our shareholders with comprehensive information about their investment.

I would like to take this opportunity to thank all of our investors who supported the Limited Partnership at the outset and who have continued to show their support for our management team and Maris in its new clothes.

*David Morrison*

## CHIEF EXECUTIVE'S REPORT

The Company’s operations are overseen from Mauritius, Nairobi and Maputo, which are also home to our finance, procurement, and human resource functions. Research and business development support is offered by our team in London. Our new Chief Financial Officer, Enrico Nora, who is based in Nairobi, joins us from Equity Bank and brings with him deep operational experience in Africa and Asia. Enrico joins the new Executive Committee, which is made up of Andrew Fimister, Operations Director, Coco Ferguson, Commercial Director, Johannes Gunnell, Business Development Director, and chaired by me. The Executive Committee is responsible for delivering the strategy set by the Board and at least two non Executive Directors participate in any acquisition or disposal decisions in excess of USD1m.

The transformation from a fund to a corporate structure laid the structural foundations for the next phase of Maris’ growth. As part of this evolution we subdivided our group of 16 businesses into five distinct divisions: Property Services, Business Services, Trading Services, Mining and Agriculture, Forestry and Food.

## CHIEF EXECUTIVE'S REPORT (CONTINUED)

### PERFORMANCE

We were encouraged with the performance of our divisions in 2014. Broadly speaking, two divisions outperformed expectations in 2014 (Mining and Trading Services), two divisions performed close to expectation (Property and Business Services) while Agriculture, Forestry & Food was a significant drag on performance. With the exception of Acacia Village in Juba, occupancy levels across our properties were good and 2014 saw the completion of Kaia Village, a second residential compound in Pemba, northern Mozambique, the hub for the offshore gas industry. Trading Services had a strong year and revenues at Maquinas e Tractores de Angola (MTA) exceeded USD10m. This result won the company a best global dealership prize from JCB. Both MTA and Machines and Tractors Tanzania expanded market share in 2014. Despite a 20% fall in the gold price, Mining was our strongest performing division underpinned by rising production levels and consistently high grades at Karebe Gold Mining Limited in Kenya. Zimgold, a new gold mining venture in Zimbabwe, saw production delayed into 2015, but prospects for the project are encouraging. December saw Maris Limited conclude its largest transaction to date with the purchase of a 62.5% stake in Venice Mines Ltd in Zimbabwe. The ongoing conflict in South Sudan hampered operations at various companies and led to a depreciation of the South Sudanese Pound, which eroded profit margins at Network Support Services. From September until late November blocked roads halted exports from Equatoria Teak Company, though results in December following the end of the rains were encouraging. The Tatepa group performed poorly, due in part to over indebtedness across the group, but also due to quality issues at Rungwe Avocado Company, tough trading conditions and poor management at Kymbila Tea Packers and a very weak tea price negatively impact performance at Wakulima Tea Company.

### VALUATION

Following a review of the South Sudan political situation, the Board decided to write-down by USD4.5m the valuation of the assets in that country. At the group level this has been mitigated by the good performance of holdings in the rest of the continent, thus the valuation of the Company's holdings was revised down by a smaller amount (from USD54.9m to USD52.9m, a reduction of USD2.0m). Details of the valuation adjustments are as follows and are also available in Note 8 to the accounts: the valuations of Equator Drilling (exploration drilling, Mozambique) and Zimgold (gold mining, Zimbabwe) were revised up from cost following encouraging first years' of trading. Untu (microfinance, Zimbabwe) and Mozambique Managed Offices were also revised upwards in view of strong performance. The downwards revisions of valuations were at Network Support Services (telecoms services, South Sudan), which was badly affected by South Sudan's ongoing conflict; at Central Equatoria Teak Company (CETC), the smaller sister company to Equatoria Teak Company, which is in litigation with the Government of South Sudan; and at Tatepa, (tea and avocados, Tanzania), which suffered from low tea prices and operational concerns in 2014.

### OUTLOOK

Weakness in the commodities sectors that underpin some of the economies in which we work and a sharp fall in many local African currencies will add a headwind to trading conditions across Africa in 2015. This is likely to be most sharply felt in Angola and South Sudan. Looking ahead, our Mining Division is likely to show strong growth and cashflow generation in 2015 followed by our Trading Services and Property Divisions. We are working to build out our Business and Trading Services Divisions this year through acquisitions. Securing majority positions in our existing holdings has become a greater priority, and we are reviewing all minority positions and partnerships with a view to consolidating some and selling others, as we build a stronger and more coherent group.

*Charlie Tryon*

**Independent auditors' report  
To the members of Maris Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Maris Limited, the "Company", which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

**Directors' Responsibilities for the Financial Statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements on pages 10 to 38 give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.



## Independent auditors' report (Contd) To the members of Maris Limited

### Report on Other Legal and Regulatory Requirements

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

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

### Other Matters

This report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinion we have formed.

**Grant Thornton**  
**Chartered Accountants**

**Y NUBEE, FCCA**  
**Licensed by FRC**

**Date: 19 MAY 2015**

**Ebène, Republic of Mauritius**

## STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2014

#### ASSETS


NON-CURRENT	NOTES	USD
Financial assets at fair value through profit or loss	8	52,959,214
Loans to related parties	9	1,169,543
Non-current assets		54,128,757
CURRENT		
Loans to related parties	9	262,760
Held-to-maturity investments	10	120,398
Receivables	11	375,166
Cash and cash equivalents	12	23,332,328
Current assets		24,090,652
Total assets		78,219,409

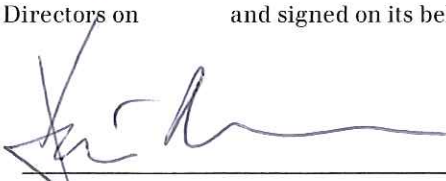
#### EQUITY AND LIABILITIES

EQUITY	NOTES	USD
Stated capital	13	83,600,470
Loss for the period		(5,954,871)
Total equity		77,645,599
LIABILITIES		
Current liabilities		
Payables	14	573,810
Total liabilities		573,810
Total equity and liabilities		78,219,409

19 MAY 2015

The financial statements have been approved by the Board of Directors on \_\_\_\_\_ and signed on its behalf by:

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

The notes on pages 14 to 38 form an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 27 JUNE 2014 (DATE OF INCORPORATION) TO 31 DECEMBER 2014

INCOME	NOTES	USD
Dividend		146,280
Interest on loans to related parties	9	73,307
Other income		18,303
		237,890
EXPENDITURE		
Managed service and advisory fees	15 and 16	238,668
Marketing expenses		144,159
Professional fees	17	334,060
Staff costs		120,102
Director fees		98,216
Other expenses		77,888
Transaction costs		32,508
Set up costs		12,000
Licence fees		2,775
		1,060,376
Operating loss		(822,486)
Goodwill expensed on transformation	18	(3,140,747)
Fair value losses on financial assets at fair value through profit or loss	8	(1,991,638)
Loss before tax		(5,954,871)
Tax expense	19	-
Loss for the period		(5,954,871)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		-
Items that will be reclassified subsequently to profit or loss		-
Other comprehensive income for the period, net of tax		-
Total comprehensive loss for the period		(5,954,871)

The notes on pages 14 to 58 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD**  
 FROM 27 JUNE 2014 (DATE OF INCORPORATION) TO 31 DECEMBER 2014

	STATED CAPITAL USD	LOSS USD	TOTAL USD
Issue of shares	89,736,906	-	89,736,906
Buyback of shares	(6,136,436)	-	(6,136,436)
Transactions with the shareholders	83,600,470	-	83,600,470
Loss for the period	-	(5,954,871)	(5,954,871)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(5,954,871)	(5,954,871)
At 31 December 2014	83,600,470	(5,954,871)	77,645,599

The notes on pages 14 to 38 form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 27 JUNE 2014 (DATE OF INCORPORATION) TO 31 DECEMBER 2014

<b>OPERATING ACTIVITIES</b>	<b>USD</b>
Loss before tax	(5,954,871)
<b>ADJUSTMENT FOR:</b>	
Goodwill expensed on transformation	3,140,747
Dividend income	(146,280)
Interest income	(73,307)
Unrealised foreign exchange gain	904
Fair value losses on financial assets at fair value through profit or loss	1,991,638
	(1,041,169)
<b>NET CHANGES IN WORKING CAPITAL:</b>	
Changes in receivables	3,482,887
Change in payables	(2,624,656)
Total changes in working capital	858,231
Net cash used in operating activities	(182,938)
<b>INVESTING ACTIVITIES</b>	
Acquisition of financial assets at fair value through profit or loss	(3,110,181)
Acquisition of held-to-maturity investments	(120,398)
Dividend income	146,280
Net cash used in investing activities	(3,084,299)
<b>FINANCING ACTIVITIES</b>	
Proceeds from issue of ordinary shares	32,736,905
Buyback of ordinary shares	(6,136,436)
Net cash from financing activities	26,600,469
Net change in cash and cash equivalents	23,333,232
<b>CASH AND CASH EQUIVALENTS AT START OF THE PERIOD</b>	
Exchange differences on cash and cash equivalents	(904)
Cash and cash equivalents at end of the period	23,332,328
<b>CASH AND CASH EQUIVALENTS MADE UP OF:</b>	
Cash at bank (Note 12)	23,332,328
<b>NON-CASH TRANSACTIONS</b>	
Issue of shares on transformation	57,000,000
Transfer of investments on transformation	(51,840,671)
Transfer of loans to related parties on transformation	(1,358,996)
Transfer of other assets on transformation	(3,858,052)
Transfer of liabilities on transformation	3,198,466
Premium on transformation written off	3,140,747

The notes on pages 14 to 58 form an integral part of these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### I. GENERAL INFORMATION

Maris Limited, the “Company”, was incorporated in the Republic Mauritius on 27 June 2014 as a public company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The registered office of the Company is IFS Court, TwentyEight, Cybercity, Ebene, Republic of Mauritius.

Pursuant to a Scheme of Arrangement to reorganise and convert Maris Africa Fund L.P., the “Fund”, a Cayman Islands exempted partnership, into a sub-Saharan Africa focused company, the Company has been set up (the “transformation”), with its head office in Republic of Mauritius and an internalised management team operating principally from Nairobi (Kenya), Maputo (Mozambique) and London (UK).

The businesses of the Company are divided into 5 distinct divisions as follows:

- (A) Property services;
- (B) Business services;
- (C) Trading services;
- (D) Mining; and
- (E) Agriculture, food and forestry.

### 2. BASIS OF PREPARATION

#### STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis, except for financial assets designated at fair value through profit or loss which has been measured at fair value.

The financial statements are presented in United States Dollars (“USD”) and all values are rounded to the nearest dollar, except where otherwise indicated.

As explained below, the Company meets the definition of an investment entity under IFRS 10, “*Consolidated Financial Statements*”, which require the Company to account for its investments in subsidiaries at fair value through profit or loss instead of consolidating or equity accounting them.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 3. APPLICATION OF NEW AND REVISED IFRS

#### 3.1 NEW AND REVISED STANDARDS THAT ARE EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON 27 JUNE 2014

In the current period, the following new and revised standards and interpretation issued by the International Accounting Standards Board are mandatory for the first time for the financial period beginning on 27 June 2014.

IAS 39	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
IFRS 10, 12 & IAS 27	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IFRIC 21	Levies

The directors have assessed the impact of these revised standards, interpretations and amendments and concluded that amendments to IFRS 10, IFRS 12 and IAS 27 (Investment Entities) have an impact on these financial statements.

#### 3.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE COMPANY

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards, as applicable for the Company, have been published but are not yet effective, and have not been adopted early by the Company.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 3. APPLICATION OF NEW AND REVISED IFRS (CONTINUED)

#### 3.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE COMPANY (CONTINUED)

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations are as follows:

IFRS 9	Financial Instruments (2014)
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IFRS 14	Regulatory Deferral Accounts
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
IFRS 15	Revenue from Contracts with Customers
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IAS 27	Equity Method in Separate Financial Statements (Amendments to IAS 27)
IAS 16 and IAS 41	Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
Various	Annual Improvements to IFRSs 2010-2012, 2011-2013 and 2012-2014 cycles

Management has yet to assess the impact of the above standards, amendments and interpretations on the Company's financial statements.

### 4. SUMMARY OF ACCOUNTING POLICIES

#### 4.1 OVERALL CONSIDERATIONS

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

#### 4.2 INVESTMENT IN A SUBSIDIARY

A subsidiary is an entity over which the Company has control. The Company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The Company has accounted its holdings in a subsidiary at fair value through profit or loss as it has been deemed to meet the definition of an investment entity as described in IFRS 10 – 'Consolidated Financial Statements'.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

#### 4.3 INVESTMENT IN ASSOCIATES

Associates are those entities over which the Company is able to exert significant influence but which are neither subsidiaries nor joint ventures.

Holdings in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Company's share in the associate is not recognised separately and is included in the amount recognised as investment in associates.

The Company has been classified as an investment entity and is therefore exempt from providing summarised financial information about its associates and joint ventures when they are accounted for on a fair value basis under IAS 28 "Investments in Associates and Joint Ventures".

#### 4.4 FINANCIAL INSTRUMENTS

##### RECOGNITION, INITIAL MEASUREMENT AND DERECOGNITION

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- Loans and receivables;
- Held-to-maturity investments ("HTM");and
- Financial assets at fair value through profit or loss.

All financial assets, except for those at fair value through profit or loss, are assessed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within interest income, finance charges and other income.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

#### 4.4 FINANCIAL INSTRUMENTS (CONTINUED)

##### CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS (CONTINUED)

###### LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, loans to related parties and most of its receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

###### HELD-TO-MATURITY INVESTMENTS

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM investments if the Company has the intention and ability to hold them until maturity. The Company currently holds Government Treasury Bills designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes in the carrying amount of the investment, including impairment losses are recognised in the statement of comprehensive income. Accrued interest income on HTM investments is accounted for in the statement of comprehensive income as interest income. Premium paid on HTM investments are amortised over the period of the investment till maturity.

###### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

###### PRINCIPLES OF VALUATION OF INVESTMENT:

Unlisted investments are stated at amounts considered by the directors to be a reasonable assessment of their fair value, where fair value is the amount at which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

#### 4.4 FINANCIAL INSTRUMENTS (CONTINUED)

##### CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS (CONTINUED)

###### PRINCIPLES OF VALUATION OF INVESTMENT: (CONTINUED)

The Company values its unlisted holdings using a blend of methodologies dependent on the activity of the holdings and its stage in the investment and business lifecycle. These include the following methodologies:

- Net assets values
- Average of multiples
- Discounted cash flows model
- Recent comparable transaction prices
- Listed market prices
- Cost value
- Liquidation value

Where the fair value of unquoted holdings cannot be reliably estimated, the transaction price on initial recognition less impairment losses is considered to be an approximate of the fair value.

The valuation of holdings may not necessarily represent the amounts that may eventually be realised from sales or other dispositions.

##### CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

The Company's financial liabilities include payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest related charges on financial liabilities are included within 'finance costs'.

##### OFFSETTING FINANCIAL INSTRUMENTS

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

#### 4.5 INCOME TAXES

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

#### 4.5 INCOME TAXES (CONTINUED)

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

#### 4.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and cash at bank, together with other short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 4.7 EQUITY AND RESERVES

Stated capital is determined using the nominal value of shares that have been issued.

Loss for the period consists of the current period results as disclosed in the statement of comprehensive income.

#### 4.8 FOREIGN CURRENCY

##### FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in currency United States Dollar ("USD"), which is also the functional currency of the Company.

##### FOREIGN CURRENCY TRANSLATIONS AND BALANCES

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

#### 4.9 REVENUE

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

Interest income is recognised on the accrual basis using the effective interest rate, unless collectability is in doubt.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

#### 4.10 IMPAIRMENT OF ASSETS

At each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

#### 4.11 PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required from the Company and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

#### 4.12 RELATED PARTIES

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

#### 4.13 EXPENSE RECOGNITION

All expenses are accounted for on the accrual basis.

#### 4.14 SET UP COSTS

Set up costs are expensed in the period in which they are incurred.

#### 4.15 COMPARATIVES

No comparative figures are presented as it is the first financial statements since the incorporation date.

#### 4.16 SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### SIGNIFICANT MANAGEMENT JUDGEMENT

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set out below.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

#### 4.16 SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (CONTINUED)

##### SIGNIFICANT MANAGEMENT JUDGEMENT (CONTINUED)

###### DETERMINATION OF FUNCTIONAL CURRENCY

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

###### INVESTMENT ENTITY

Management has used guidance as per IFRS 10, "Consolidated Financial Statements" in determining whether the Company has met the definition of an investment entity. This requires management to make significant judgements as to whether the Company has met the definition of an investment entity and the typical characteristics to be considered to qualify as an investment entity as per IFRS 10.

###### RECOGNITION OF DEFERRED TAX ASSET

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

##### ESTIMATION UNCERTAINTY

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

###### FAIR VALUE OF FINANCIAL INSTRUMENTS

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. However, where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

###### IMPAIRMENT LOSSES ON LOANS TO RELATED PARTIES AND OTHER RECEIVABLES

The Company reviews its significant loans to related parties and other receivables at each reporting date to assess whether an impairment loss should be recorded in the statement of comprehensive income. In particular, management judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 5. FINANCIAL INSTRUMENT RISK

#### RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of risks: market risk (including foreign exchange risk, interest rate risk, price risk and capital repatriation risk), credit risk, liquidity risk, concentration risk, operating risk, political risk and legal risk. The Company's overall risk management programme aims at mitigating the unpredictability of the markets in which it holds assets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's financial assets and liabilities by category are summarised below:

<b>FINANCIAL ASSETS</b>	USD
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>	
Investments in quoted/unquoted companies	52,959,214
<b>LOANS AND RECEIVABLES</b>	
Non-current:	
Loans to related parties	1,169,543
Current assets	
Loans to related parties	262,760
Receivables	304,516
Cash and cash equivalents	23,332,328
	25,069,147
<b>HELD-TO-MATURITY INVESTMENTS:</b>	
Government Treasury Bills	120,398
<b>Total financial assets</b>	<b>78,148,759</b>
<b>FINANCIAL LIABILITIES</b>	
<b>OTHER LIABILITIES (AT AMORTISED COST):</b>	
Payables	573,810
<b>Total financial liabilities</b>	<b>573,810</b>

The most significant risks to which the Company is exposed are described on the next page.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 5. FINANCIAL INSTRUMENT RISK (CONTINUED)

#### 5.1 MARKET RISK ANALYSIS

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

#### FOREIGN EXCHANGE RISK

Indirectly, through its holdings, the Company has financial assets and liabilities denominated in foreign currencies. Consequently, the Company is exposed to significant exchange rate volatility of the Angolan Kwanza, Kenyan Shilling, Mozambique Metical, South Sudanese Pound and Tanzanian Shilling. Movements in these currencies relative to the USD may materially impact the trading and valuations of the underlying operating companies and thus the value of the Company's financial assets and liabilities. The Company also has direct exposure to movements in the Mauritian rupee ("MUR"), however these are unlikely to have a material effect on the reported values of the Company's assets and liabilities.

The direct currency profile of the Company's financial assets and liabilities is as follows:

	FINANCIAL ASSETS USD	FINANCIAL LIABILITIES USD
United States Dollar (USD)	78,021,842	573,810
Mauritian Rupee (MUR)	126,917	-
	78,148,759	573,810

#### INTEREST RATE RISK

The Company is not exposed to any changes in market interest rates. The loans to related parties are at fixed interest rates. The exposure to interest rates on the Company's cash and cash equivalents, for which the interest is based on market rates, is considered immaterial.

#### PRICE RISK SENSITIVITY

The Company is exposed to price risk in respect of its quoted investments. The average volatility observed in the share price from the date of acquisition to 31 December 2014 is shown in the table below:

NAME OF INVESTEE COMPANY	% CHANGE IN SHARE PRICE
Metals of Africa Limited	66 %
Select Exploration Limited	17%

If the quoted stock price for investments in Metals of Africa and Select Exploration Limited increased by the above percentages, loss and equity would decrease/increase respectively by USD 33,200 and a increase/decrease in the quoted stock price by the same percentage would decrease loss and equity respectively by an equal amount.

#### CAPITAL REPATRIATION RISK

Several of the countries where the Company holds investments have capital transfer restrictions in place. The Company organizes the operations of its holdings so to ensure compliance and minimize exposure. It is however possible that new regulations will be introduced that could partially or totally prevent the Company's ability to transfer funds out of such countries when required.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 DECEMBER 2014

#### 5. FINANCIAL INSTRUMENT RISK (CONTINUED)

##### 5.2 VALUATION & CREDIT RISK ANALYSIS

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

#### FINANCIAL ASSETS

NON-CURRENT ASSETS		USD
Financial assets at fair value through profit or loss		52,959,214
Loans to related parties		1,169,543
		54,128,757
CURRENT ASSETS		USD
Held-to-maturity investments		120,398
Loans to related parties		262,760
Receivables		304,516
Cash and cash equivalents		23,332,328
		24,020,002
<b>Total</b>		<b>78,148,759</b>

The Company's exposure to credit risk is limited to the carrying amount of its financial assets at fair value through profit or loss, loans to related parties, held-to-maturity investments, other receivables and cash and cash equivalents.

The Company holds investments in both quoted and unquoted companies where most of the investee companies are incorporated in countries in the African Region. These investments are stated at their fair values using valuation technique as described in Note 6. At 31 December 2014, the fair values of these investments amounted to USD 52,959,214.

The credit risk for cash and cash equivalents is considered acceptable, since the Company transacts with a reputable bank.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 5. FINANCIAL INSTRUMENT RISK (CONTINUED)

#### 5.3 LIQUIDITY RISK ANALYSIS

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due and to fund its approved follow-on investments and acquisitions under normal operating conditions. The Company manages liquidity risk by ensuring timely recovery of receivables, return of surplus funds by the investees to the Company and by raising capital.

The following are the contractual maturities of financial liabilities, including interest payments:

LIABILITIES	LESS THAN ONE YEAR USD
Payables	573,810

#### 5.4 CONCENTRATION RISKS

The Company has invested mainly in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risks of investing in such companies are much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for these investments existed. However, the directors consider the investments are strategic ones and the concentration risk is manageable.

#### 5.5 OPERATING RISK

The markets where the Company's holdings operate present various risks in terms of: supply chain, infrastructure, security, corruption, health and safety. In view of such challenges, the Company seeks management control of its holdings where possible in order to maintain strict oversight of bank accounts, governance, operating policies and payment of dividends. Where the Company does not have management control, significant minority protections measures are implemented through board representation, the right to appoint the Chairman and veto rights.

#### 5.6 POLITICAL RISK

Indirectly, through its holdings, the Company is exposed to political risk in the markets and the sectors where its investments operate. While the Company's geographical and divisional diversification is designed to mitigate political risk, such is considered material. The value of the Company's holdings may be materially affected in varying degrees by political circumstances and government regulations relating to the industry and foreign investors therein, and the policies of other countries in respect of the region. Any changes in regulations or shifts in political conditions are beyond the Company's control and may adversely affect the Company's performance.

#### 5.7 LEGAL RISK

The regulatory supervision, legal infrastructure and accounting, auditing and reporting standards of the countries of Africa may not provide the same degree of investor protection or availability of information as would generally exist in more mature or developed markets. This may adversely affect both the valuation of the Company's holdings and performance.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 DECEMBER 2014

#### 6. FAIR VALUE MEASUREMENT (CONTINUED)

##### 6.1 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents financial assets measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	LEVEL 1 USD	LEVEL 2 USD	LEVEL 3 USD	TOTAL USD
Financial assets at fair value through profit or loss	52,348	-	52,906,866	52,959,214

There has been no transfer between Levels 1 and 2 during the period under review.

##### MEASUREMENT OF FAIR VALUE

The methods used for the purpose of measuring fair values are detailed below:

##### LISTED SECURITIES

The listed equity security is denominated in AUD and is publicly traded on the Australian Securities Exchange. Fair value has been determined by reference to its quoted bid price at the reporting date.

##### UNQUOTED INVESTMENTS

The method and valuation technique used for the purpose of measuring fair values of the unquoted investments are detailed below:

- (I) Net assets values
- (II) Average of multiples
- (III) Discounted cash flows model
- (IV) Recent comparable transaction prices
- (V) Listed market prices
- (VI) Cost value
- (VII) Liquidation value

A reconciliation of the carrying amounts of financial assets classified within Level 3 has been disclosed in Note 8 to these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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### 6. FAIR VALUE MEASUREMENT (CONTINUED)

#### 6.1 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

##### VALUATION POLICY

The valuation of the unquoted investments is determined on a six month basis with an initial valuation being made by reference to the price at which the Company acquired such securities and subsequent valuations being conducted in accordance with the IFRS 13, 'Fair Value Measurement'. Valuation techniques are selected based on the characteristics of each financial asset, with the overall objective of maximising the use of market-based information.

The valuation of the unquoted investments is performed by an internal team having the relevant expertise and qualifications. The valuation report is at first reviewed by the Executive Committee and subsequently reviewed by the Audit Committee. The report is then recommended to the Board of Directors for final review and approval. All the valuation processes and fair value changes are also discussed at the Board level; including significant unobservable inputs used in the valuation techniques and the relationship of these unobservable inputs to the fair values.

#### 6.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE

The Company's other financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values.

#### 6.3 FAIR VALUE MEASUREMENT OF NON - FINANCIAL ASSETS CONSISTING OF PREPAYMENTS

The Company's non financial assets consist of prepayments. For non-financial assets, fair value measurement is not applicable since these are not measured on a recurring or non-recurring basis.

At the reporting date, the Company did not have any non-financial liabilities.

### 7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio and as at 31 December 2014, the Company was not geared.

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## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 DECEMBER 2014

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#### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(I) UNQUOTED AND AT FAIR VALUE	USD
Transfer on transformation (Note 1)	51,662,088
Additions during the period (at cost)	3,110,181
Fair value loss on re-measurement	(1,865,403)
At 31 December 2014	52,906,866
(II) QUOTED AND AT FAIR VALUE	USD
Transfer on transformation (Note 1)	178,583
Fair value loss on re-measurement	(126,235)
At 31 December 2014	52,348
<b>Total</b>	<b>52,959,214</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(III) Details of the Company's financial assets at fair value through profit or loss are as follows:

INVESTEES COMPANY	COUNTRY OF INCORPORATION	% HOLDING	NUMBER OF SHARES	COST USD	FAIR VALUE USD
<b>AGRICULTURE, FOOD &amp; FORESTRY</b>					
Central Equatoria Teak Holdings Ltd	<i>Republic of Mauritius</i>	81.39%	5,000	2,344,167	329,700
Equatoria Teak Holdings Ltd	<i>Republic of Mauritius</i>	82.64%	2,000,000	5,826,931	5,826,931
Maris Tatepa Holdings Ltd	<i>Republic of Mauritius</i>	100%	100	1,400,835	1,187,785
<b>BUSINESS SERVICES</b>					
Africa Managed Office Solutions Ltd	<i>Republic of Mauritius</i>	100%	100	957,500	1,312,500
Afritise (Cyprus) Ltd	<i>Republic of Cyprus</i>	30%	57,516	555,600	486,150
Equator Drilling International Ltd	<i>Republic of Mauritius</i>	100%	100	1,000,000	2,500,000
Network Support Services Ltd	<i>Republic of Cyprus</i>	71.25%	1,425	3,384,375	1,225,500
Untu Holdings Limited	<i>Republic of Botswana</i>	17.86%	27,868	380,180	535,800
<b>MINING</b>					
Equatorial Mining Ltd	<i>British Virgin Islands</i>	100%	50,000	12,800,000	12,800,000
Metals of Africa Ltd (Quoted investment)	<i>Australia</i>	0.86%	1,107,086	168,137	45,536
Select Exploration Ltd (Quoted investment)	<i>Australia</i>	0.54%	1,755,556	9,743	6,812
Venice Mine Holdings Ltd	<i>Republic of Zimbabwe</i>	62.69%	84	2,350,000	2,350,000
ZimGold Ltd	<i>Republic of Mauritius</i>	100%	1	1,862,127	2,680,000
Metals of Africa Ltd 0.15					
Call 7th January 2017 (Quoted investment)	<i>Australia</i>	-	802,158	703	-
Select Exploration Ltd					
AUD0.35 Call (Quoted investment)	<i>Australia</i>	-	833,333	-	-
<b>PROPERTY SERVICES</b>					
Mulitani ME Ltd	<i>United Arab Emirates</i>	50%	500	2,910,000	2,910,000
Operational Support Services Ltd	<i>Gibraltar</i>	47%	47	1,997,500	1,762,500
Operational Support Services ME Ltd	<i>United Arab Emirates</i>	100%	1,000	6,000,000	6,000,000
Quirimbas Support Services Ltd	<i>United Arab Emirates</i>	50%	500	4,000,000	4,000,000
<b>TRADING SERVICES</b>					
Africa Austral Industrial Services Ltd	<i>United Arab Emirates</i>	50%	500	2,503,054	2,500,000
Maquinas e Tractores de Angola Lda	<i>Angola</i>	50%	50% (quota)	4,500,000	4,500,000
				54,950,852	52,959,214

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(IV) Refer to Note 4.4 for a description of the accounting policy on financial assets at fair value through profit or loss. The methods used to measure fair values are described in Note 6.

(V) Before the transformation of Maris Africa Fund LP (the “Fund”) into Maris Limited (the “Company”), a valuation of the Fund was carried out in April 2014 by the Maris Capital Advisors LLP to determine the fair value of the assets to be transferred including the fair value of the investments held by the Fund. The investments were fair valued at USD 51M. The valuation report was independently reviewed by a professional firm which has estimated the fair value of the investments to be between USD 52M and USD 57M.

At the reporting date, a new valuation was carried out with reference to Valuation Policy as set out in 6.1 by an internal team of Maris Group and then reviewed by the Executive Committee and the Audit Committee. The investments were fair valued at USD 52,959,214 at 31 December 2014 which includes an acquisition of USD 3,110,181 from date of transformation to the reporting date.

The directors are opinion that the fair value of these unquoted investments of USD 52,959,214 is reasonable and represents its minimum realisable value.

(VI) The Company has planned to acquire a further investment of USD 1.5M in Venice Mine Holdings Limited subsequent to the period end to increase its holdings in the company and eventually fully buy out other shareholders.

### 9. LOANS TO RELATED PARTIES

NON-CURRENT	USD
Africa Austral Industrial Services Ltd (Note (i))	307,254
Africa Managed Office Solutions Ltd (Note (ii))	165,093
Afritise (Cyprus) Ltd (Note (iii))	92,599
Equator Drilling International Ltd (Note (iv))	180,768
Equatorial Mining Ltd (Note (v))	423,829
	1,169,543
CURRENT	
Untu Holdings Limited (Note (vi))	262,760
<b>Total</b>	<b>1,432,303</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 DECEMBER 2014

#### 9. LOANS TO RELATED PARTIES (CONTINUED)

(I) AFRICA AUSTRAL INDUSTRIAL SERVICES LTD	USD
Loan acquired	280,653
Interest accrued	26,601
At 31 December 2014	307,254

The Company had acquired loan at a cost of USD 259,674 granted by Maris Africa Fund L.P. to Africa Austral Industrial Services Ltd. The loan is unsecured, carries interest at the rate of 12% per annum with no fixed repayment terms.

(II) AFRICA MANAGED OFFICE SOLUTIONS LTD	USD
Loan acquired	158,096
Interest accrued	6,997
At 31 December 2014	165,093

The Company had acquired loan at cost of USD 150,000 granted by Maris Africa Fund L.P. to Africa Managed Office Solutions Ltd. The loan is unsecured, carries interest at the rate of 12% per annum with no fixed repayment terms.

(III) AFRITISE (CYPRUS) LTD	USD
Loan acquired	87,083
Interest accrued	5,516
At 31 December 2014	92,599

The Company had acquired loan at a cost of USD 66,778 granted by Maris Africa Fund L.P. to Afitise (Cyprus) Ltd. The loan is unsecured, carries interest at the rate of 10% per annum with no fixed repayment terms.

(IV) EQUATOR DRILLING INTERNATIONAL LTD	USD
Loan acquired	175,699
Interest accrued	5,069
At 31 December 2014	180,768

The Company had acquired loan at a cost of USD 165,000 granted by Maris Africa Fund L.P. to Equator Drilling International Ltd. The loan is unsecured, carries interest at the rate of 10% per annum with no fixed repayment terms.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 9. LOANS TO RELATED PARTIES (CONTINUED)

(V) EQUATORIAL MINING LTD	USD
Loan acquired	399,444
Interest accrued	24,385
At 31 December 2014	423,829

The Company had acquired loan at cost of USD 300,000 granted by Maris Africa Fund L.P. to Equatorial Mining Ltd. The loan is unsecured, carries interest at the rate of 10% per annum and is repayable on demand.

(VI) UNTU HOLDINGS LIMITED	USD
Loan acquired	258,021
Interest accrued	4,739
Closing balance	262,760

The Company had acquired short term debentures at a cost of USD 250,000 from Untu Holdings Limited. The loan is unsecured, carries interest at the rate of 15% per annum with a maturity date of six months.

### 10. HELD-TO-MATURITY INVESTMENTS

	USD
Government Treasury Bills	120,398

The Company has acquired Government Treasury Bills through a financial institution with a maturity period of six months and carries yield rate of 2.7%.

### 11. RECEIVABLES

	USD
Receivable from Maris Africa Fund L.P.	304,516
Prepaid advisory fees	66,250
Prepayments	4,400
	375,166

- (i) The amount receivable from Maris Africa Fund L.P is interest free and receivable within one year.
- (ii) The carrying amount of the receivables is considered a reasonable approximation of its fair value.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 DECEMBER 2014

#### 12. CASH AND CASH EQUIVALENTS

CASH AT BANK:	USD
USD	23,325,809
MUR	6,519
	23,332,328

#### 13. STATED CAPITAL

	USD
83,600,470 ordinary shares of USD 1 each	83,600,470

(i) MOVEMENT DURING THE PERIOD:	USD
Issue on transformation (Note 15)	57,000,000
Rights issue during the period	32,736,906
Buyback during the period	(6,136,436)
At 31 December 2014	83,600,470

(ii) The ordinary shares would be conferred such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the directors may, subject to the Company's Shareholders' Agreement deem fit.

#### 14. PAYABLES

	USD
Due to a shareholder	401,057
Accruals	172,753
	573,810

(i) The amount due to a shareholder is interest free, unsecured and payable on demand.

(ii) The carrying amount of payables is a reasonable approximation of its fair value.

#### 15. MANAGED SERVICE FEES

The Company has entered into a Business Service Agreement (the "Service Agreement") with Maris Capital Kenya Limited (the "Service Provider"), a company registered and domiciled in the Republic of Kenya. Under the Service Agreement, the Service Provider provides to the Company's subsidiaries (Afritis Limited, Operational Support Services Limited, Equatorial Teak Holdings Limited, Central Equatorial Teak Holdings Limited, Mayjel Mining Limited and Network Support Services Limited) with financial, accounting and other support services on the terms of the Service Agreement.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 15. MANAGED SERVICE FEES (CONTINUED)

In consideration for the services received, the Company shall pay the Service Provider a fee to cover the relevant services and goods provided by the Service Provider on behalf of the Company and reimburse the latter for all reasonable out-of-pocket expenses incurred in the provision of the services. The fee shall be payable monthly in arrears to the Service Provider within 30 days from receipt of the latter's invoice.

### 16. ADVISORY FEES

The Company has entered into an Advisory Agreement (the "Advisory Agreement") with Maris Capital Advisors LLP (the "Advisor"), a company incorporated under the laws of England and Wales. Under the Agreement, the Advisor provides the Company with investment advisory and corporate finance services on the terms of the Agreement.

In consideration for the services received, the Company shall pay the Advisor a fee equal to USD 795,000 per annum (or pro rata for any period less than a year). The fee shall be payable quarterly in arrears to the Advisor as soon as reasonably practicable after the end of each calendar year quarter.

The Advisory Agreement with the Advisor will be replaced during the first half of 2015 with a Business Services Agreement with Maris Advisors UK.

### 17. PROFESSIONAL FEES

	USD
Legal fees	159,978
Other professional fees	65,228
IFS professional fees	62,276
Audit fees	28,750
Consultancy fees	17,828
	334,060

### 18. GOODWILL EXPENSED ON TRANSFORMATION

Pursuant to the Scheme of Arrangement of the Maris Africa Fund L.P. (the "Fund"), for its transformation into the Maris Limited (the "Company"), the Company had acquired the assets and liabilities of the Fund for an aggregate consideration of USD 57 million by way of issuance of 57 million ordinary shares of par value USD 1 each of the Company to Maris Africa (GP) Limited. However, as at 08 September 2014, date of the transformation, the net assets value of the Fund was USD 53,859,253. The difference between the consideration paid and net assets of the Fund acquired amounting to USD 3,140,747 pertained to a premium for goodwill which was paid by the Company in relation to the internalisation of the management company and the upcoming pipeline. This premium for goodwill was clearly indicated to the investors at the time of the capital raise.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 18. GOODWILL EXPENSED ON TRANSFORMATION (CONTINUED)

However, since IFRS 3 “Business Combinations” does not apply to the acquisition of an asset or group of assets that does not constitute a business, the goodwill arising on the re-organisation and conversion of the Fund into the Company cannot be accounted for as an asset in the statement of financial position of the Company and consequently this premium was expensed in the statement of comprehensive income.

Management feels that the premium for goodwill was certainly justified and any future capital raising would likely be done at an equivalent premium to net asset value.

### 19. TAXATION

#### INCOME TAX EXPENSE

The Company, under the current laws and regulations, is liable to pay income tax on its net income at the rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritian tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%. Capital gains of the Company are exempt from tax in Republic of Mauritius.

The Company is centrally managed and controlled from Republic of Mauritius and is hence tax resident in Republic of Mauritius and holds a valid general Tax Residence Certificate (“TRC”) from the Mauritius Revenue Authority which is renewable annually subject to meeting certain conditions. TRCs entitle the Company to certain relief pursuant to the treaties concluded by the Republic of Mauritius and other countries for avoidance of double taxation.

As at 31 December 2014, the Company had a tax loss of USD 595,726 which can be carried forward until 2019 to be set off against future taxable profits.

#### INCOME TAX RECONCILIATION

The tax of the Company’s loss before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	USD
Loss before tax	(5,954,871)
Tax calculated at the rate of 15%	(893,231)
Impact of:	
Items outside scope of taxation	298,890
Non-allowable expenses	534,981
Deferred tax asset not recognised	59,360
Tax expense	-

#### DEFERRED TAXATION

No deferred asset has been recognised in respect of the tax loss carried forward as taxable income is not probable in the foreseeable future.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 20. RELATED PARTY TRANSACTIONS

For the period ended 31 December 2014, the Company had transactions with its related parties. The nature, volume of transactions and the balances with the related are as follows:

RELATED PARTIES	NATURE OF RELATIONSHIP	NATURE OF TRANSACTIONS	VOLUME OF TRANSACTIONS USD	DEBIT/(CREDIT) BALANCES AT 31/12/2014 USD
Africa Austral Industrial Services Ltd	<i>Subsidiary</i>	<i>Loan</i> <i>Interest on loan</i>	- 26,601	239,674 67,580
Africa Managed Office Solutions Ltd	<i>Subsidiary</i>	<i>Loan</i> <i>Interest on loan</i>	- 6,997	150,000 15,093
Afritise (Cyprus) Ltd	<i>Subsidiary</i>	<i>Loan</i> <i>Interest on loan</i>	- 5,516	66,778 25,821
Equator Drilling International Ltd	<i>Subsidiary</i>	<i>Loan</i> <i>Interest on loan</i>	- 5,069	165,000 15,768
Equatorial Mining Ltd	<i>Subsidiary</i>	<i>Loan</i> <i>Interest on loan</i>	- 24,385	300,000 123,829
Untu Holdings Ltd	<i>Subsidiary</i>	<i>Loan</i> <i>Interest on loan</i>	- 4,739	250,000 12,760
Charles George Barrington Tryon	<i>Director</i>	<i>Staff costs</i>	70,500	(12,417)
Sandra Robertson	<i>Director</i>	<i>Director fees &amp; committee membership fees</i>	11,176	(11,176)
Marc Jan Albert Beuls	<i>Director</i>	<i>Director fees &amp; committee membership fees</i>	15,843	(15,843)
Nicholas Eustace Haddon Ferguson	<i>Director</i>	<i>Director fees &amp; committee membership fees</i>	15,843	(15,843)
David John Morrison	<i>Chairman</i>	<i>Director fees &amp; committee membership fees</i>	33,333	(33,333)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

### 20. RELATED PARTY TRANSACTIONS (CONTINUED)

RELATED PARTIES	NATURE OF RELATIONSHIP	NATURE OF TRANSACTIONS	VOLUME OF TRANSACTIONS USD	DEBIT/(CREDIT) BALANCES AT 31/12/2014 USD
Iwan Sebastian Meister	Director	Director fees & committee membership fees	12,510	(12,510)
Henry Awele Obi	Director	Director fees & committee membership fees	9,510	(9,510)
Alexander Charles Lavallin Puxley	Finance manager	Staff costs	19,600	(4,900)
Maris Capital Advisors LLP	Advisor	Advisory fees	59,990	66,850
Maris Capital Kenya Limited	Related company	Managed service fees	60,049	-

The terms and conditions are described in Notes 9, 17 and 18 to these financial statements.

### 21. CONTINGENT LIABILITIES

The Company had availed from the following Standby Letters of Credits from Barclays Bank Mauritius Limited to secure the payments by Machines and Tractors Tanzania and Maquinas e Tractores De Angola for the purchase of JCB Machines, power products and spare parts from JCB Sales, JCB Power Products Ltd and JCB Service Rochester on credit:

INVESTEES NAME	LOAN AMOUNT USD	TENOR NUMBER OF YEARS
Machines and Tractors Tanzania	1,000,000	1
Maquinas e Tractores De Angola	2,350,000	1

The Standby Letters of Credits qualify as contingent liabilities under IAS 37, Provisions, Contingent Liabilities and Contingent Assets. As of date, these contingent liabilities are qualified as probable but not virtually certain given that they are exercisable by JCB Sales, JCB Power Products Ltd and JCB Service Rochester unless payments for products purchased are not received by the investees. Hence, these are being recognised by way of disclosure only.

### 22. EVENTS AFTER THE REPORTING DATE

The Company has planned to acquire a further investment of USD 1.5M in Venice Mine Holdings Limited subsequent to the period end to increase its holdings in the company and eventually fully buy out other shareholders.