



## INVESTING IN GROWTH IN AFRICA



AFRICA LOGISTICS PROPERTIES, KENYA

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		DATE APPOINTED	DATE RESIGNED
DIRECTORS	Arunagirinatha Runghien	27 June 2014	28 April 2017
	Teemulsingh Luchowa	27 June 2014	28 April 2017
	Charles George Barrington Tryon	07 August 2014	-
	Marc Jan Albert Beuls	08 September 2014	-
	David John Morrison	24 September 2014	-
	Nicholas Eustace Haddon Ferguson	25 September 2014	-
	Iwan Sebastiaan Meister	04 November 2014	-
	Raju K Shaulis	01 December 2014	-
	Henry Awele Obi	04 December 2015	-
	Harris Harjan	28 April 2017	-
Harry Sutherland	28 April 2017	-	
ADMINISTRATOR AND SECRETARY	up to 28 April 2017 International Financial Services Limited IFS Court, Bank Street TwentyEight Cybercity Ebene 72201 Republic of Mauritius	from 28 April 2017 CrossInvest Global Management Services Limited Suite 011 Grand Baie Business Park Grand Baie 30510 Republic of Mauritius	
REGISTERED OFFICE	up to 28 April 2017 International Financial Services Limited IFS Court, Bank Street TwentyEight Cybercity Ebene 72201 Republic of Mauritius	from 28 April 2017 CrossInvest Global Management Services Limited Suite 011 Grand Baie Business Park Grand Baie 30510 Republic of Mauritius	
AUDITORS	Grant Thornton Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius		
BANKER (MAURITIUS)	Barclays Bank Mauritius Limited Standard Bank (Mauritius) Limited		



COMMONER MINE, ZIMBABWE



EQUATOR DRILLING, MOZAMBIQUE



MOZAMBIQUE MANAGED OFFICES, MOZAMBIQUE



KAREBE GOLD MINE, KENYA



MACHINES AND TRACTORS TANZANIA



EQUATOR ENERGY, KENYA

Having been buffeted by macroeconomic and political headwinds almost from the day that Maris was converted from a fund to a diversified holding company, 2017 witnessed a degree of calm in the major markets in which Maris is operating. That said, disputed elections in Kenya, continuing instability in South Sudan and a coup in Zimbabwe, however civilised and restrained, do not necessarily equate to stability as understood in other parts of the world. But, it is noteworthy that in the past few months Messrs Zuma, Mugabe and dos Santos have all departed relatively peacefully and, in part at least, as a consequence of popular and democratic pressure. It is unlikely that three such figures would have moved on in such a manner twenty years ago.



Against the broader backdrop of the past few years, your management team's ability to come through the downturn in 2015 and 2016 relatively unscathed and to position the group for the growth achieved in 2017, is an indication of their persistence and their ability to look after their stakeholders' interests. Whilst far too early to comment on the outlook for the current year, the first few months have continued to witness the same positive momentum that was achieved, particularly in the last six months of 2017.

More detail on the performance of individual holdings follows in the CEO's report and he also comments on plans to look to raise additional funding during the course of the year. Whilst we recognise that it would be desirable to have taken the business further on the funding received in 2014, your board and management are of the firm view that to seek to top-up the financial resources of the group now is desirable. Some of the existing, more mature holdings will benefit from additional cash to fuel their growth. The most recent, early-stage investments, particularly Africa Logistics Properties and Equator Energy, will most certainly need further funding to develop and we wish to be able to capitalise on some of the opportunities that have been thrown up, in part as a result of the decline in the sources of new capital in East Africa following the tribulations of the last couple of years.

David Morrison

At our 2017 year-end valuation, the Group's Net Asset Value (NAV) was USD\$92.8m. This values an ordinary share in Maris Limited ("Maris") at USD\$1.02, on a Net Asset Value per share basis, representing a 7% increase in 2017 and 12% when considering the exclusion of a goodwill value that was used previously. This marks a recovery of 19% on a NAV per share basis from its low in 2015, a respectable result considering that growth in sub Saharan Africa was at its lowest in 20 years over the past 2 years.

The increase in the value of the Group was due to a combination of an increase in the value from recent investments in start-ups, Africa Logistics Properties Holdings and Equator Energy, a recovery in our machinery dealerships and in our property investments in South Sudan (Acacia Village) and Quirimbas Support Services (Kaia Village). The largest move, however, was seen at Venice Mine which saw a USD\$2.67m increase in value or 23% in light of a more positive outlook at the company as it gains momentum in the post Mugabe era.



Our strongest 5 performers are listed below:

UNDERLYING ASSET / TRADING NAME	COUNTRY OF OPERATION	EFFECTIVE % SHAREHOLDING OF UNDERLYING ASSET	FAIR VALUE (USD\$ '000S)	INCREASE IN VALUE (USD\$ '000S)	% INCREASE IN VALUE
Venice Mine	Zimbabwe	90%	14,146	2,675	23%
Quirimbas Support Services (Kaia Village)	Mozambique	100%	7,950	1,530	24%
Africa Logistics Properties	Kenya	13%	5,486	1,455	36%
Maquinas e Tractores de Angola	Angola	50%	2,800	750	37%
Equator Energy	Kenya/ Zimbabwe/ South Sudan	70%	1,961	651	50%

The Group holding company generated a Net Profit before tax of USD\$9.8m for 2017 versus USD\$4.4m for 2016. Whilst the 120% increase in net profit is welcome, from an operational perspective one should disregard fair value gains/losses on our holdings. A more important measure of our progress is the increase in investment income to USD\$5.5m against a group cost base of USD\$2.3m. We saw our first cash surplus from our investment activities through dividends and other income, an important first step towards being able to organically build an investment holding company.

We have seen strong earnings growth across our business services, agriculture and forestry and mining divisions. Increases in valuations were broadly spread across the Group. Mining remains the largest part of the Group and we aim to address this through focusing our future investment strategy towards the other divisions and potentially selling down some of our mining interests.

We committed USD\$4.3m to new and existing investments within the Group. Africa Logistics Properties Holdings and Equator Energy saw follow on investments of USD\$1.6m and USD\$1.2m, and MTR, our most recent dealership saw an investment of USD\$528k. We also invested USD\$800k in Commoner Mine through capital generated from Venice Mine, which was otherwise at risk of devaluation in Zimbabwe.

The Group has recently disposed of two small holdings, Untu and Afritise. We have sold our stake in Untu to management whilst Afritise was restructured and sold to a portfolio company.

## PERFORMANCE AND OUTLOOK FOR SUB SAHARAN AFRICA

The S&P Africa Frontier market index (Botswana, Cote d'Ivoire, Ghana, Kenya, Mauritius, Namibia, Nigeria and Zambia) was up 43.35% in 2017 and the S&P All Africa Index ex SA was up 34% over the same period. This very strong short term performance masks a longer-term weakness with these indexes, which have been down 43.2% and 34% respectively since Maris became a permanent capital vehicle in 2014. By comparison our performance over this period has been flat.

Regrettably the African Venture Capital Association reports its Private Equity index 3 months after this report. From the H1 2017 data, Maris has returned over 102% versus 34% from the Index over a 7 year period. However, as one shareholder rightly told me, 'you can't spend relative money' and African PE returns have not been what one would have hoped over the past 5 years.

On a positive note, GDP Growth in Sub Saharan Africa increased to 2.4% in 2017 from 1.3% in 2016 (World Bank). We have increasingly seen a divergence in economic growth in Africa with the more mature and resource exposed economies falling behind the more diversified economies of East Africa. Nigeria and South Africa, for example, have seen limited growth, whilst the majority of the countries we are invested in all saw growth of above the continental average in 2017.

Growth in East and Southern Africa looks likely to increase to 3.2% in 2018 and many of our markets should see GDP growth of over 5%. We remain cautiously optimistic for most of the countries we are invested in. Mozambique could finally deliver, as activity surrounding the gas field development in the north of the country increases. Zimbabwe could also positively surprise. Whilst tailwinds from growth in the mining and agricultural sectors are unlikely to right the precarious Zimbabwean economy alone, there are positive signs that democratic elections may allow the country to re-engage with the international community and ultimately recapitalize the economy. Angola should also start to see forex flows increase thanks to a USD\$60/barrel oil price which should start to stimulate the economy again.

With foreign investor interest improving and commodity prices edging higher, the prospects for most of the markets we are in should be good. After a few years in which the African lion was worryingly mute, there are signs of a purr but certainly no roar.

## ESG

With the recruitment of a dedicated Environmental and Social Officer, Maris has made some substantial progress towards improving our group E&S capacity. Of the 96 criteria we were assessed on during a third party E&S audit in 2016, we were found to be failing in 19. In our recent 2017 audit that number has been reduced to 0. A number of the executive team have also undergone varying levels of E&S and Business Integrity (BI) training in 2017 in order to build our E&S understanding and capabilities. We are currently developing E&S management systems across our portfolio companies with a particular focus on our higher risk companies.

## CAPITAL RAISE

Following a year in which the group saw a strong recovery and delivered on its strategic and operational objectives, the board and management are committed to a capital raise this year which will provide the company with capital for follow on and new investments and to build the group to scale. We have commenced fund raising with the aim of raising \$40-50m through a rights issue. Early signs are encouraging with existing shareholders being highly receptive and a number of substantial new shareholders commencing detailed due diligence.

It is our intention that this capital raise should provide the company with sufficient capital to develop a highly successful diversified African focussed investment holding company. In time, we should be able to generate sufficient cashflows from our businesses to build the business without needing to raise additional capital.

In the medium term we are looking to offer our shareholders high returns through a combination of running yield, special dividends on successful realisation of holdings, and capital appreciation. In the longer term we will seek an appropriate stock exchange listing to facilitate liquidity for shareholders.

We will be holding our results and strategy presentation at Prince Philip House, 3 Carlton Terrace in London on 12th July at 5:30pm. On behalf of the entire team at Maris we look forward to seeing you there.

Charlie Tryon

8

## 8 COUNTRIES

In East and Southern Africa

4

## 4 DIVISIONS

Property services  
Business services  
Mining  
Agriculture and Forestry

18

## 18 COMPANIES

Contained within 4 key strategic divisions.

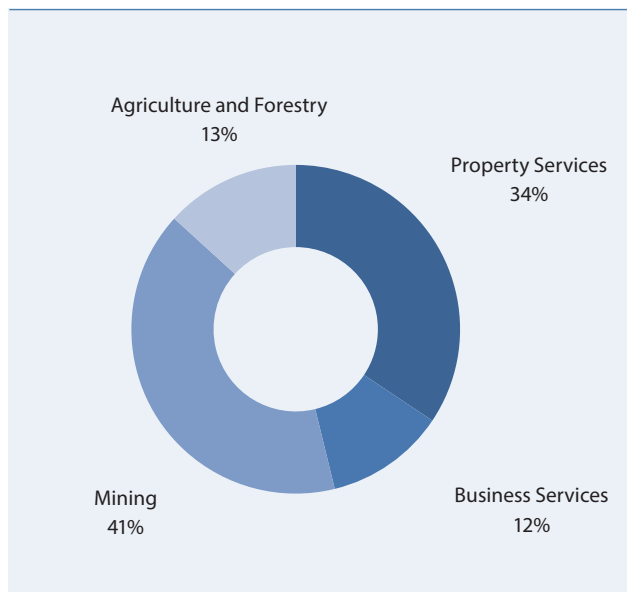


2,359

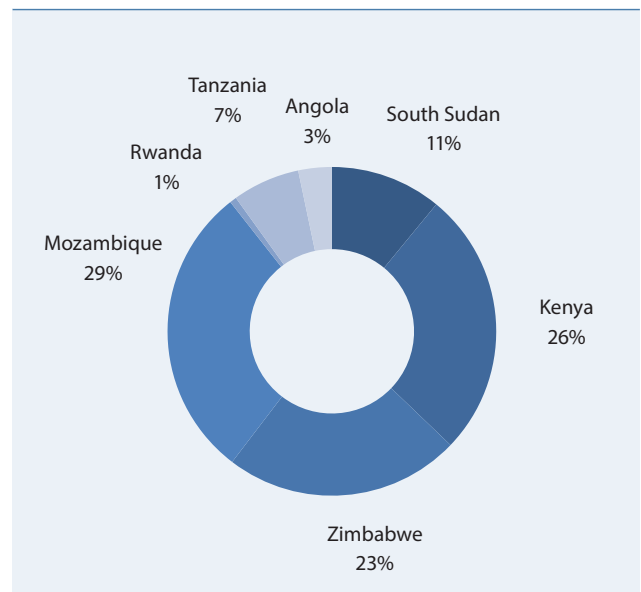
## 2,359 PEOPLE

Maris companies employ 2,359 people who operate to our health and safety and ethical standards.

### MARIS VALUATION BY DIVISION



### MARIS VALUATION BY COUNTRY



## \$92.8m NAV

+13% vs. 2016

+27% vs. 2015

## \$9.8m EBITDA

(Operating Companies)

+40% vs. 2016

## \$2.4m NET PROFIT

(Attributable to Maris Shareholders)

+42% vs. 2016

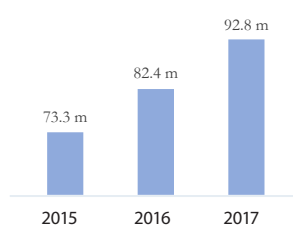
## \$3.5m FREE CASH

(From Operating Companies)

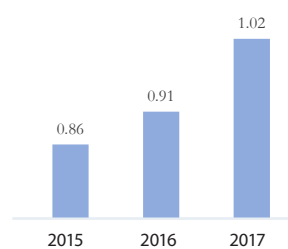
+75% vs. 2016

OVERVIEW	2015	2016	2017	% change (2017/2016)
NAV (USD\$m)	73.3	82.4	92.8	12.6%
NAV/share	0.86	0.91	1.02	12.1%
Cash from Operating Companies	2.5	2.0	3.5	75.0%
Cash generated as % of NAV	3.4%	2.4%	4.8%	
EBITDA (excluding group costs)	4.6	7.0	9.8	39.9%
Net Profit (after group costs)	-1.4	2.3	3.6	
Attributable to Maris shareholders	-1.5	1.7	2.4	41.8%
Attributable to other shareholders	0.0	0.6	1.2	
Group costs (USD\$m)	2.6	2.4	2.3	-6.0%
Group costs as % of NAV	3.5%	3.0%	2.5%	

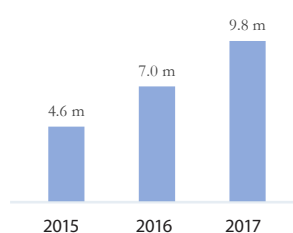
NAV 2015-2017



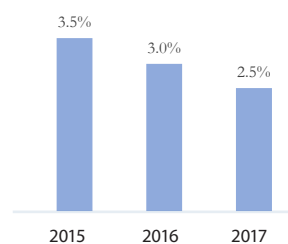
NAV/share 2015-2017



EBITDA Operating Companies 2015-2017



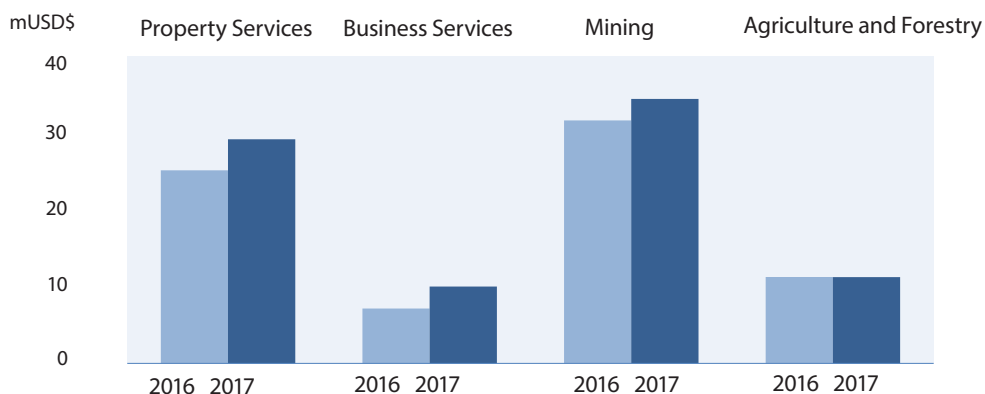
Group costs as % of NAV 2015-2017



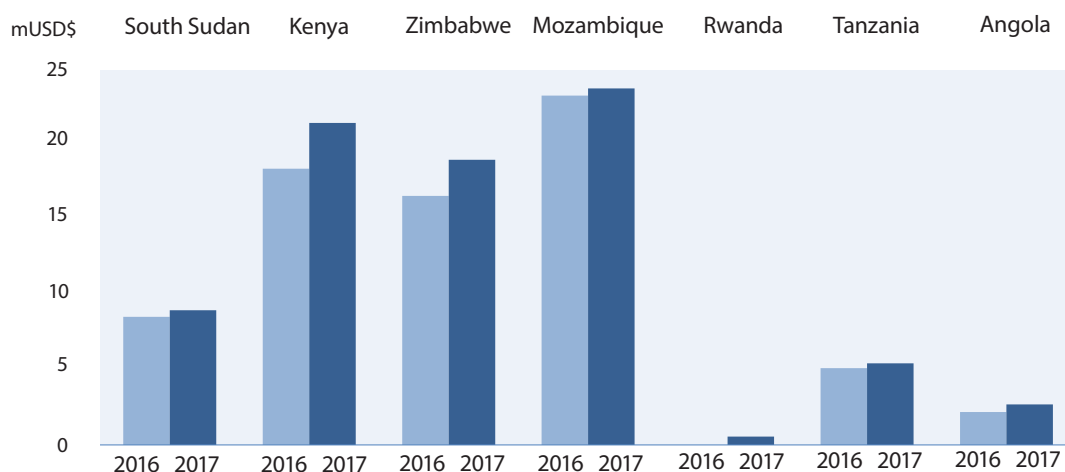
VALUATION OVERVIEW	2015	2016	2017	2016-2017 change %
Value of Investment in OpCo's	\$64.2m	\$74.6m	\$84.2m	12.8%
Cash at Maris Ltd. level	\$9.0m	\$7.4m	\$5.0m	
Other assets	\$0.3m	\$0.8m	\$4.0m	
Liabilities	(\$0.2m)	(\$0.6m)	(\$0.4m)	
NAV	\$73.3m	\$82.4m	\$92.8m	12.6%
NAV / share	\$0.86	\$0.91	\$1.02	12.1%

MARIS INVESTED CAPITAL BY SECTOR	INVESTED CAPITAL 9.9.2014 -31.12.2017	%	VALUATION December 2017	MONEY MULTIPLE
Property Services	\$ 27.8m	35%	\$ 29.0m	1.04x
Business Services	\$ 17.1m	22%	\$ 9.9m	0.58x
Mining	\$ 22.3m	28%	\$ 34.2m	1.53x
Agriculture & Forestry	\$ 11.6m	15%	\$ 11.2m	0.96x
Total	\$ 78.8m		\$ 84.2m	1.07x

## VALUATION BY DIVISION 2016 vs 2017



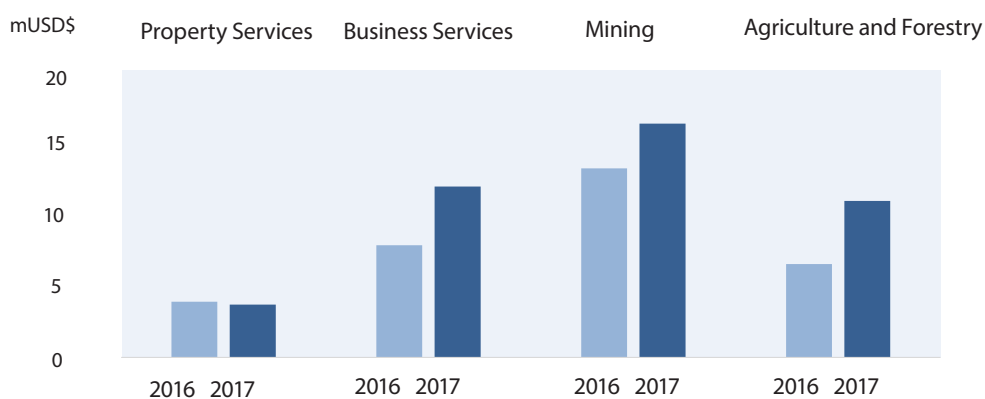
## VALUATION BY COUNTRY 2016 vs 2017



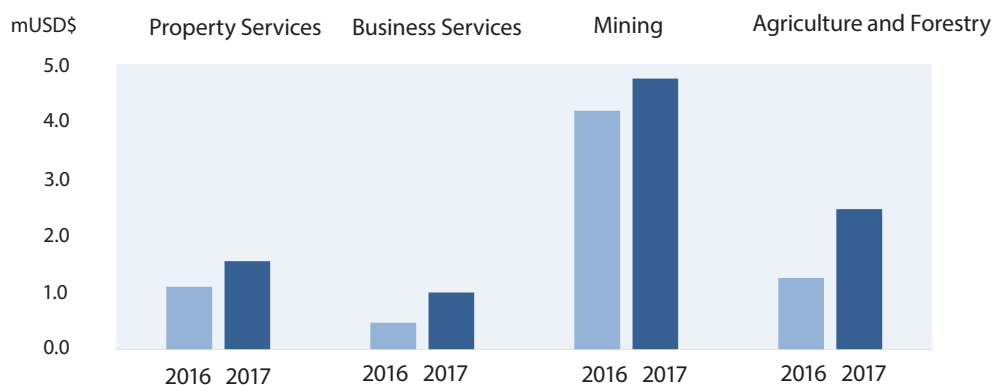
Division performance is presented on a consolidated basis.

DIVISION PERFORMANCE 2017	Property Services	Business Services	Mining	Agriculture & Forestry
Revenues	\$ 3.7m	\$ 11.9m	\$ 16.3m	\$ 10.9m
EBITDA	\$ 1.6m	\$ 1.0m	\$ 4.7m	\$ 2.5m
Profit from Operations	\$ 0.9m	\$ 0.1m	\$ 2.7m	\$ 2.1m

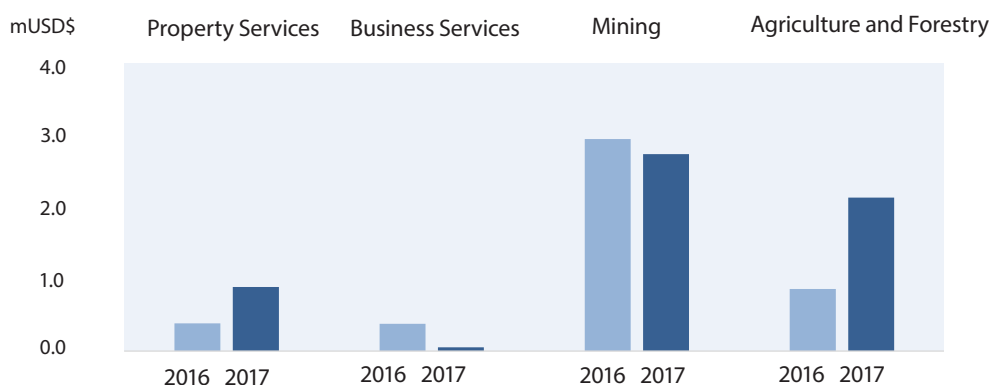
## REVENUES BY DIVISION 2016 vs 2017



## EBITDA BY DIVISION 2016 vs 2017



## NET PROFIT BY DIVISION 2016 vs 2017





EQUATOR ENERGY, SOUTH SUDAN



MOZAMBIQUE MANAGED OFFICES, MOZAMBIQUE



MACHINES AND TRACTORS, TANZANIA



VENICE MINE, ZIMBABWE

## OVERVIEW

### CORPORATE ACCOMODATION

#### MULITANI (100%)

Tete, Mozambique

70 rooms

#### KAIA VILLAGE (QSS) (100%)

Pemba, Mozambique

50 rooms

#### ACACIA VILLAGE (54%)

Juba, South Sudan

34 rooms

### SERVICED OFFICES

#### MOZAMBIQUE MANAGED

##### OFFICES (MMO) (75%)

Maputo, Mozambique

2000 Sqm

### INDUSTRIAL WAREHOUSING

#### OSS MOZAMBIQUE (100%)

Tete, Nacala, Pemba

Mozambique

4,500Sqm

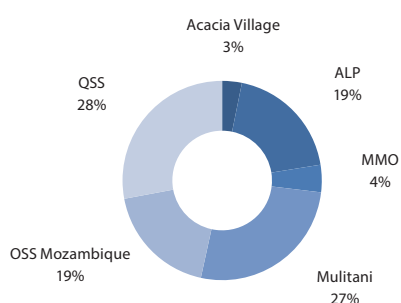
#### AFRICA LOGISTICS PROPERTIES (ALP) (13%)

Nairobi, Kenya

Planned 50,000Sqm at site 1

Planned 100,000Sqm at site 2

### Percentage of NAV by business - Property Services



Despite a slight drop in revenues, the Property Services Division posted robust growth in terms of EBITDA (+42%) and Net Profit (+132%). This is thanks to the continued good performance of properties in Mozambique (such as Mulitani and Operational Support Services) and a marked improvement in occupancy level at Acacia Village in South Sudan. Overall the Division returned USD\$1.3m of free-cash-flow to the Group holding company; concurrently USD\$1.7m have been invested in new projects (primarily ALP).

2017 has also been a pivotal year for Africa Logistics Properties (ALP) which was started by Maris and co-founder Toby Selman in the previous year: in March 2017 ALP raised USD\$60m in equity from various high-profile investors (including IFC and CDC) and commenced the development of 50,000 sqm of modern warehouses in the north of Nairobi.

Separately Maris has sold its stake in Afritise South Sudan, the outdoor advertising business which is considered non-strategic; following the disposal, some of the assets of Afritise South Sudan have been absorbed by Operations Support Services South Sudan who also manages Acacia Village.

For 2018, ALP is expected to book its first revenues and we also anticipate further improvements at Acacia Village. Above all we look forward to the start of the long-awaited development phase of the LNG fields in Mozambique; significant announcements have been made by US and European oil majors at the end of 2017 and early 2018. Once these projects commence they would bring tremendous value to our Mozambique properties (Kaia Village in particular).

### HIGHLIGHTS

- ALP: construction of the first two warehouses is well underway with the third, larger, one commencing in Q1 2018. Long term leases have already been secured over 65% of the space available for 2017.
- Acacia Village: a combination of cost reductions, improved occupancy and relative calm in Juba has allowed Acacia Village to post a remarkable turnaround.
- Mulitani has had a fantastic year running at full occupancy.
- OSS Mozambique has seen full occupancy with the exception of one vacant warehouse in Pemba.
- MMO (managed offices) is now fully settled in a new, larger facility; while price per workstation kept up well, occupancy was disappointing and we expect better from the business.
- Kaia Village has had a difficult year as developments of the LNG fields off the coast of Mozambique have been delayed. Encouragingly, Q4-2017 saw a 41% increase in revenues compared to Q3-2017, a sign that projects are starting to move ahead.

### Key financial indicators - Property Services

USD	2017	2016	% Change
Revenues	\$ 3.7m	\$ 3.9m	-5.0%
EBITDA	\$ 1.6m	\$ 1.1m	41.8%
Net Profit	\$ 0.9m	\$ 0.4m	132.1%

### Key Figures - Property Services 2017

Cash remitted to Group holding company	\$ 1.3m
Cash invested (gross)	\$ 1.7m
Gross Lettable Area (yielding)	12,323 sqm
Gross Lettable Area (under construction)	46,490 sqm
# of employees & contractors	182
# of countries covered	4

## OVERVIEW

### MAQUINAS E TRACTORES DE ANGOLA (MTA) (50%)

Exclusive JCB machinery dealership  
Angola

### MACHINES AND TRACTORS TANZANIA (MTT) (50%)

Exclusive JCB, Kaeser, Parker machinery dealership  
Tanzania

### MACHINES AND TRACTORS RWANDA (MTR) (50%)

Exclusive JCB, Kaeser, Parker machinery dealership  
Rwanda

### EQUATOR DRILLING (80%)

Mining drilling services  
Mozambique, Kenya and DRC

### EQUATOR ENERGY (70%)

Renewable Energy Solutions  
Kenya, South Sudan

### UNTU (31%)

Microfinance

2017 has been an eventful year for our Business Services Division. Overall revenues grew 52% and EBITDA grew 111% compared to 2016; however net profit fell due to one-off provisions for prior years tax (MTT) and forex adjustments (MTA).

Our machines dealerships (MT Group - MTT, MTA and MTR) posted robust growth in its core business (construction equipment) and has been approached to distribute additional products (like Case New Holland tractors). In addition, MT Group, in partnership with various financial institutions, has started offering leasing solutions to end-users, and we expect to further develop this part of our offering in 2018. 2017 has also marked the start of operations for Equator Energy, our solar energy venture which was created at the end of the previous year. Equator Energy has installed 1 MW of solar power across three countries under long-term contracts (10 years).

The successes above have been somehow dampened by the loss posted by Equator Drilling; the business has been adversely affected by the mining crisis in Tanzania which caused a few customers to cancel explorations projects in East Africa. As a response, Equator Drilling has turned its focus to its traditional market, Mozambique, and to DRC. Encouragingly this led to a profit in Q4-2017.

Finally, Maris has exited its investment in Untu Holdings Limited (transaction completed in February 2018), the microfinance business in Zimbabwe. While Untu has managed to navigate the volatility in the country remarkably well, from a long-term point of view it does not fit Maris strategy. Maris achieved an IRR of 19.4% since it took over the investment at transformation (September 2014).

### HIGHLIGHTS

- MT Group: MTT performed exceptionally well (310% EBITDA growth year-on-year) and MTA too managed to increase EBITDA despite the shortage of forex. The newly established operation in Rwanda also delivered good results and it is proving to be an ideal platform for supporting business in adjacent Burundi and Uganda.
- Equator Energy: after installing its first megawatt in 2017, the pipeline is looking solid (additional 2 MW); revenues are expected to grow four-fold in 2018 as new projects come on-line. To ensure sustainable growth, management monitors credit risk very carefully as well as portfolio diversification across sectors.
- Equator Drilling: 2017 has been disappointing with a 4% drop in revenues year-on-year and a net loss, mostly due to cancelled projects in Kenya. However, Q4 2017 showed a profit thanks to new contracts in Mozambique and DRC. For 2018 Equator Drilling is working on a joint-venture in DRC that should allow it to increase capacity and bid for larger contracts.

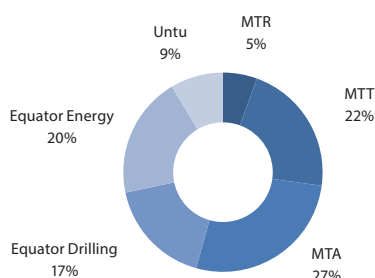
### Key financial indicators - Business Services

USD\$	2017	2016	% Change
Revenues	\$ 11.9m	\$ 7.8m	52.4%
EBITDA	\$ 1.0m	\$ 0.5m	111.1%
Net Profit	\$ 0.1m	\$ 0.4m	-86.5%

### Key Figures - Business Services 2017

Cash remitted to Group holding company	\$ 0.8m
Cash invested (gross)	\$ 2.7m
Unit of equipment sold (by MTx)	157
# of SME customers (whole division)	321
Renewable energy	1 MW solar power installed, additional 2 MW under installation and/or negotiation
# of employees & contractors	81
# of countries covered	7

### Percentage of NAV by business - Business Services



## OVERVIEW

### KAREBE GOLD MINING LIMITED (KGML) (80%)

Kenya

### COMMONER MINE (80%)

Zimbabwe

### VENICE MINE COMPLEX (VMC) (90%)

Zimbabwe

Mining continues to be the largest contributor to the Group's profitability, albeit to a lesser degree thanks to the growth of the other Divisions.

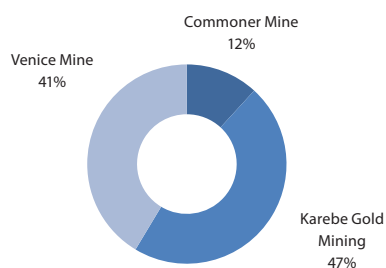
Overall Mining revenues grew 24% and EBITDA 13% year-on-year but these figures don't tell the full story: virtually all the growth was achieved in the second half of 2017 given that the first six months of the year were marred by torrential rains in Zimbabwe and equipment breakdown at Karebe Mine. The growth of H2-2017 vs. H2-2016 has been of 42% for revenues and 102% for EBITDA.

These results validate Maris' strategy of incrementally developing our mines: we progressively re-open underground operations to complement surface tailings retreatment operations, whilst always maintaining a tight grip on cost. The growth of the Division is completely self-funded and additional free-cashflow is remitted to the Group's holding company.

### HIGHLIGHTS

- **Karebe Mine:** with the new Rock Corry mine now fully operational, Karebe Mine grew EBITDA by 48% to USD\$3.5m thanks mostly to improved gold grades. New geological analysis seems to indicate a promising potential for further expansion. The protracted election process in Kenya brought some unwelcome interference by local politicians, however this is being countered with a campaign of public information and with the support of the local community who is a large beneficiary from Karebe's Mine presence.
- **Venice Mine:** exceptionally heavy rains and flooding affected Venice Mine's production in the first half of 2017. As a result, EBITDA in 2017 declined 32% year-on-year; however, Venice Mine posted a formidable recovery in the second half of the year thanks also to a new open pit ore source. The plan for 2018 is to re-open two underground mines. Separately Venice Mine repaid USD\$0.8m of shareholder loan to the Group holding company and also installed a 0.5 MW solar power system.
- **Commoner Mine:** 2017 was a transition year for Commoner Mine. A limited static leach production was restarted in late 2016 and this has allowed the mine to post positive EBITDA in 2017. In parallel, works have started to re-open two underground mines part of the Commoner complex and which we expect to be operational in the second half 2018.

### Percentage of NAV by business - Mining



### Key financial indicators - Mining

USD\$	2017	2016	% Change
Revenues	\$ 16.3m	\$ 13.2m	23.6%
EBITDA	\$ 4.7m	\$ 4.2m	13.4%
Net Profit	\$ 2.7m	\$ 2.9m	-7.1%

### Key Figures - Mining 2017

Cash remitted to Group holding company	\$ 1.7m
Cash invested (gross)	\$ 0.8m
Gold produced	12,249 oz
Production cost	985 \$/oz
Renewable energy	0.5 MW solar power system installed at Venice Mine
# of employees & contractors	567
# of countries covered	2

## OVERVIEW

### EQUATORIA TEAK COMPANY (ETC) (83%)

Forestry  
South Sudan

### GREEN ENVIRON TEAK COMPANY (GETC) (49%)

Forestry  
South Sudan

### TATEPA (18%)

Tea, Avocados  
Tanzania

Overall the Agriculture and Forestry Division delivered a stellar performance: revenues grew 68% and EBITDA 99% compared to 2016. Equally importantly, the level of debt was reduced and cash returned to Maris Group holding company. These improvements came primarily from the forestry and tea sectors.

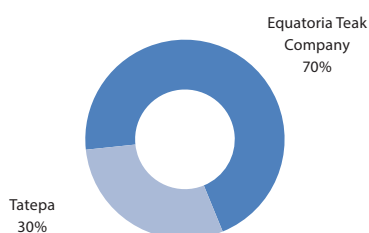
ETC shipments reached record levels thanks also to favourable weather that allowed uninterrupted transports. This was further enhanced by the start of operations at the GETC plantation that was previously inaccessible. In parallel, the replanting of harvested areas has also accelerated with over 1,200 Ha replanted or coppiced.

In Tanzania, at Tatepa Group, our tea export business also saw a sharp improvement in both volume and price of the tea with a consequent increase in EBITDA. Unfortunately, this improvement was negated by a disappointing performance by the avocado sector. The causes of the poor harvest have now been addressed (including a change of General Manager at RAC) and for 2018 we expect the avocado volume to more than double.

### HIGHLIGHTS

- ETC: The company shipped 13,600 cbm of timber and generated USD\$10.9m in revenues (+68% compared to 2016); it also repaid USD\$1.2m of shareholder loans. The cumulative replanted area now exceeds 1,200 Ha (vs. 150 Ha when Maris took over the plantation) and works are underway to create a value-add business line to produce floors, doors and window frames for the African market.
- Tatepa: Tea Exports (from Tatepa's own estate and ~12,000 out-growers) performed very well (revenues up 15% and EBITDA 86%). This trend is expected to continue with tea volume expected to exceed 5,000 tons in 2018. Avocado quality was greatly improved but the harvest generated 72% less fruits than in 2016 and consequently the subsidiary (Rungwe Avocado Company) posted a loss (vs. a profit in 2016). The newly appointed management is confident that volumes for 2018 will be back above 1,000 tons. Local retail tea sales (under the brand Chai Tausi) were slightly down year-on-year in what is a depressed market; Tatepa is looking to exit this FMCG part of the business.

### Percentage of NAV by business - Agriculture and Forestry



### Key financial indicators - Agriculture and Forestry

USD\$	2017	2016	% Change
Revenues	\$ 10.9m	\$ 6.5m	67.7%
EBITDA	\$ 2.5m	\$ 1.3m	95.6%
Net Profit	\$ 2.1m	\$ 0.9m	147.4%

### Key Figures - Agriculture and Forestry 2017

Cash remitted to Group holding company	\$ 1.2m
Cash invested (gross)	n.a.
Farmed area (tea and avocado)	376 ha
# of outgrowers (tea and avocado)	12,000 tea outgrowers and 3,500 avocado outgrowers
Replanted / Coppiced area (forestry)	1,215 ha (>1 million trees)
Renewable energy	160 kW solar power system installed at ETC Hydro plant under construction at Tatepa
# of employees & contractors	1,510
# of countries covered	2



TATEPA, TANZANIA



EQUATOR DRILLING, MOZAMBIQUE



AFRICA LOGISTICS PROPERTIES, KENYA

The Company relies on the following governance structure.

## BOARD COMPOSITION

The Board comprises nine Directors, made up of one executive Director, six non-executive Directors and two Mauritius resident Directors. Henry Obi is the independent Director. Directors are appointed for three years terms renewable (except for current Directors whose initial appointments are for five years).

## BOARD DELEGATION

The Board has delegated specific responsibilities to Board Committees notably the Audit, Risk and Valuation Committee, the Remuneration Committee and the Nominations Committee. Terms of Reference have been established for each of these committees.

## BOARD AND COMMITTEE FRAMEWORK

- a) The Audit Committee has responsibility for reporting, risk management, health and safety, environmental and social impact, and valuations of the group's holdings. Significant risks are kept under review via a risk register and appropriate controls are sanctioned as appropriate.
- b) The Remuneration Committee is responsible for setting the Remuneration Policy for the company and for overseeing performance reviews.
- c) The Nominations Committee is responsible for the structure and composition of the Board.

## COMPANY'S ADMINISTRATOR

On April 28 2017 the Company changed its Mauritius Administrator from International Financial Services Limited to CrossInvest Global Management Services Limited.

## APPOINTMENTS TO THE BOARD

With the change of the Company's Mauritius Administrator in April 2017, the previous Mauritian resident directors, Arunagirinatha Rungchien and Teemulsingh Luchowa, have been replaced by Harry Sutherland and Harris Harjan.

## RELATIONS WITH SHAREHOLDERS

Quarterly Reports are sent to all shareholders. In addition, the company publishes an Annual Report. The Annual General Meeting of Shareholders (AGM) is held in Mauritius each year. In addition, the Company's results and strategy are presented to the shareholders at a meeting held each year in London.

## ANNUAL GENERAL MEETING 2018

The AGM will be held on 9th May 2018 at 2pm Mauritius time at the Company's offices:

CrossInvest Global Management Services Ltd,  
Suite 011,  
Grand Baie Business Park,  
Avenue Geranium and Reservoir Road,  
Grand Baie ,  
Republic of Mauritius.

Proxy forms will be circulated in advance of the meeting.

## RESULTS AND STRATEGY PRESENTATION TO SHAREHOLDERS

The presentation will be held at Prince Philip House, 3 Carlton Terrace in London on 12th July at 5:30pm

## SHARE TRADING WINDOW

Pursuant to Clause 16 of the Company's Shareholders Agreement, Maris will facilitate twice-a-year a share-trading window ("matched bargain process") during which it will endeavour on a best effort basis to find prospective sellers and purchasers of Company's shares amongst its existing shareholders and third parties. The Company's Administrator will issue specific instructions.

## KEY

A Audit Committee

R Remuneration Committee

N Nominations Committee

### DAVID MORRISON R, N

Chairman, Maris Limited

CEO, Prospect Investment Management

David Morrison is the founder and chief executive of Prospect Investment Management, a venture capital advisory firm that acts on behalf of a small group of investors. Prior to founding Prospect in 1999, he had spent several years as a partner of Abingworth Management.

### CHARLIE TRYON

Chief Executive Officer

Charlie Tryon co-founded Maris in 2009 and has driven its growth and transition from a successful private equity fund to a Company. He is a Director of Maris Limited and oversees group operations from East Africa. Prior to Maris Charlie developed a successful portfolio of venture businesses in Afghanistan and East Africa.

### MARC BEULS R, N

Remuneration Committee Chairman,  
ex-CEO, Millicom

Marc Beuls is a private investor in start-up and emerging market companies. He was the President and CEO of Millicom International Cellular, a leading emerging market telecommunications operator for more than 16 years.

### NICHOLAS FERGUSON A, N

Audit Committee Chairman,  
Chairman, Savills Plc

Nicholas Ferguson CBE is Chairman of Savills Plc. He was previously Chairman of Sky Plc. Prior to that he was Chairman of SVG Capital and prior to that Chairman of Schroder Ventures. He is the founder of the Kilfinan Group.

### HARRIS HARJAN

Haris Harjun is the CEO of CrossInvest Global Management Services. With an MSC in Banking & Finance, BA in Law & Management & a Member of the Institute of Chartered Secretaries & Administrators, Harris co-founded Crossinvest in 2010, sits on the boards of a wide range of businesses in Africa and is based in Mauritius.

### IWAN MEISTER A, N

Iwan Meister is a former investment officer of FMO. Prior to FMO Iwan was responsible for credit ratings, modeling and portfolio management at ABNAMRO. Prior to this Iwan worked at a microfinance institution in Lima, Peru.

### HENRY OBI A, N

COO, Helios Partners

Henry Obi is the Chief Operating Officer of Helios Investment Partners LLP, an investment firm making private equity investments exclusively in Sub-Saharan Africa.

### RAJU SHAULIS R, N

CADG

Raju Shaulis is President and co-founder of Central Asian Development Group (CADG). Founded in 2002 CADG is a company focused on implementing donor-funded economic development programs and civil engineering projects in developing countries in Central Asia and Africa.

### HARRY SUTHERLAND

Harry Sutherland is the Chairman of Crossinvest Global Management Services. Harry co-founded Crossinvest in 2010 and is also Chairman of the Harland Capital Group which he established in 1997. He specialises in advising, developing & funding businesses in Africa. Prior to this he worked for ten years in a variety of management and project development roles for Lonrho Plc across the continent.



**CHARLIE TRYON**  
CHIEF EXECUTIVE OFFICER

Charlie Tryon co-founded Maris and is a Director of Maris Limited. He oversees the group from East Africa. Prior to Maris, Charlie developed a successful portfolio of venture businesses in Afghanistan and East Africa.



**ENRICO NORA**  
CHIEF FINANCIAL OFFICER

Enrico Nora is the group CFO and joined Maris in 2015 from Equity Bank. He was previously CFO and COO of DoCoMo intertouch pte. Ltd in Singapore and spent eleven years with Hewlett Packard.



**ANDREW FIMISTER**  
OPERATIONS DIRECTOR

Andrew Fimister co-founded Maris and has been responsible for the development of businesses in Angola and Mozambique. He oversees wider group operations from Nairobi.



**JOHANNES GUNNELL**  
COMMERCIAL DIRECTOR

Johannes Gunnell joined Maris in 2010 following seven years at UBS. He was previously acting CFO for Maris and now drives new business development from the London office.

Maris operates in some of the world's least developed markets and its more environmentally sensitive areas. Maris focusses on three areas of social responsibility; our people, our community and our environment.

## OUR PEOPLE

In 2017, Maris companies employed 2,359 individuals in 18 different companies operating in 8 different countries. Maris believes in creating long term value and sustainable human resource by employing people from the area that we operate in and 93% of our workforce are national employees. We offer extensive training of personnel to operate in accordance with national and international standards. After a successful start of our graduate training scheme in 2016, we are looking to continue recruiting and training local talent for future management positions. Since last year MMO was our first company to be led by a local female general manager after the relocation of its expatriate (female) MD.

Number of Lost Time Injuries (LTI) decreased from 23 in 2016 to 21 in 2017, a 8.7% reduction. However, Maris reported a fatal accident for the first time since its operations started in 2009. Both the Maris CEO and Operations Director were closely involved in the investigations and measures have been taken to mitigate the risk of reoccurrences.

Our Environmental and Social capacity has been strengthened by recruiting dedicated manpower at both holding and operating company levels to review and improve our performance. Together with an external consultancy, Maris has reviewed its OHS, Labour and Business Integrity policies to be in compliance with IFC Performance Standards. Training sessions will be organised on an individual company level to continue to improve our performance with the ambition of zero injuries.

## OUR COMMUNITIES

Maris continues to invest in our local communities to create long term partnerships in the countries in which we operate. In 2017 alone, nearly USD\$400,000 was spent directly on community programs (not including government royalties that go to support communities). The majority of projects focus on creating, improving and maintaining infrastructure. 99% of the community

programs are undertaken by the Mining and Agriculture and Forestry divisions which is in line with our philosophy to create socio-economic development in the most rural and least developed areas.

In 2017, ETC and KGML were the main contributors. ETC projects have included the completion of a primary school, procurement of materials for another primary school in Mborizanga, the construction of a new hospital block and the construction of the County Forestry office in Nzara. KGML contributed to the construction and improvement of the local road and to the construction of a new police station in Chepsweta. Other initiatives have focused on sport, education and health within the community.

Maris companies also contribute to the economic development of its host countries and regions with corporate tax and royalties of over USD\$2m and wages of over US\$8m (including social security taxes).

## OUR ENVIRONMENT

Maris is committed to protecting the environment and continues to review its performance to minimise our environmental impact. If we don't have the expertise in house we hire external specialists, which was the case at Venice Mine Complex where the tailings dam has been reinforced following extremely heavy rains in early 2017. Future objectives are to formalize our operations with the implementation of additional environmental policies and procedures and to include environmental data in our reporting.

We comply with local and international regulations, including the IFC Performance Standards on measuring, mitigating and reporting our environmental and social impact.



MTAKPARA PRIMARY SCHOOL, FUNDED BY EQUATORIA TEAK COMPANY, SOUTH SUDAN



CHEPSWETA POLICE STATION, FUNDED BY KAREBE GOLD MINE, KENYA



TAILINGS DAM, VENICE MINE COMPLEX, ZIMBABWE

## COMMENTARY OF THE DIRECTORS

The directors present their report and the audited consolidated financial statements of Maris Limited, the “Company” and its subsidiaries, collectively referred to as the “Group” for the financial year ended 31 December 2017.

The Company classifies its subsidiaries at fair value through profit or loss since it meets the definition of an investment entity as per the requirements of IFRS 10, “Consolidated Financial Statements” except for four subsidiaries namely Maris Kenya Limited, Maris Advisors UK Limited, Maris Mozambique Limitada and Industrial Support Services Limited. These four subsidiaries provide investment-related services to support the Company’s investment activities and therefore they do not qualify to be measured at fair value through profit or loss under the conditions attached to investment entities and have therefore been consolidated in accordance with IFRS 10, “Consolidated Financial Statements”.

## PRINCIPAL ACTIVITY

The principal activities of the Group are:

- 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; and
- to offer accounting, administrative and procurement services to group companies and other businesses in Africa.

## RESULTS

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

## DIRECTORS

The present membership of the Board is set out on page 19.

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

Company law requires the directors to prepare consolidated financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Group and 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 consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the consolidated financial statements.

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

The directors have made an assessment of the Group’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.

## 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 financial year ended 31 December 2017.



**for CrossInvest Global Management Services Ltd**  
Company Secretary

### REGISTERED OFFICE

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Suite 011, Grand Baie Business Park  
Avenue Geranium and Reservoir Road  
Grand Baie  
Republic of Mauritius

29 March 2018

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Date

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## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the consolidated financial statements of Maris Limited, the "Company" and its subsidiaries, together referred to as the "Group", which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of the comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 29 to 66 give a true and fair view of the financial position of the Group and the Company as at 31 December 2017 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON ("OTHER INFORMATION")

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data, Commentary of the Directors, Chairman's Report and Chief Executive Officer's Report sections, but does not include the consolidated financial statements and our auditors' 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 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 MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives 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 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 management.
- Conclude on the appropriateness of management's 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 auditors' 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 auditors' 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 or 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- we have no relationship with, or any interests in, the Company and its subsidiaries 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 MATTER

Our 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



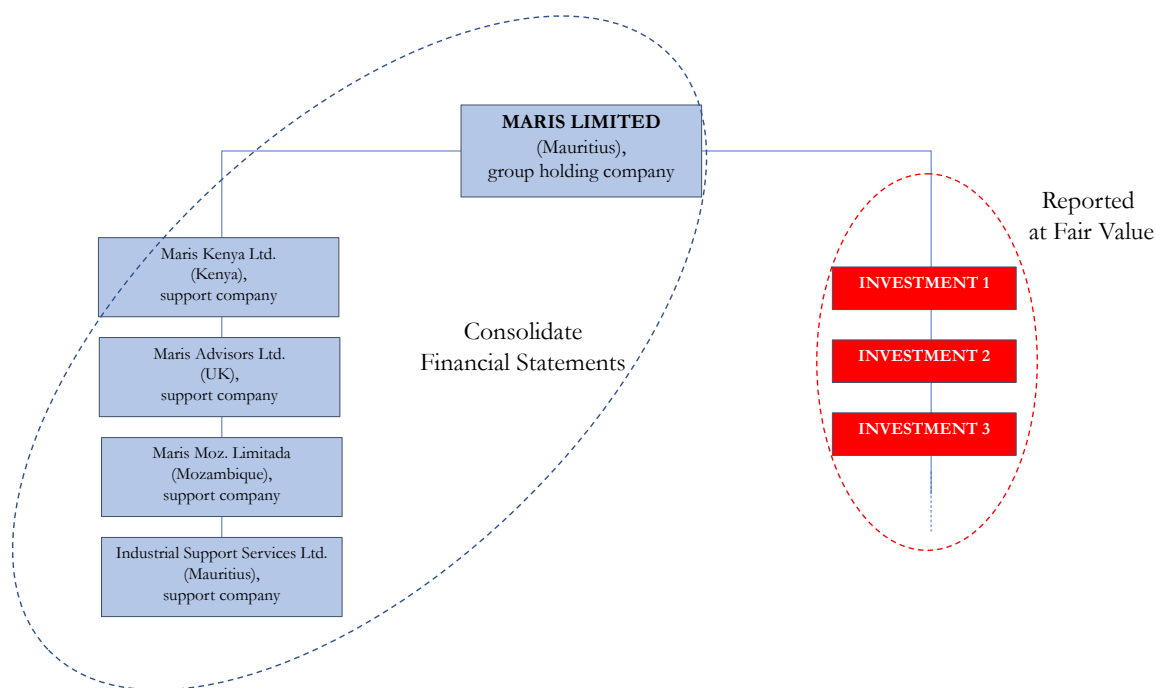
**Y NUBEE, FCCA**  
Licensed by FRC

Date: **29 MAR 2018**

**Ebene 72201, Republic of Mauritius**

Maris Limited (“the Company”) meets the definition of “Investment Entity” as defined under IFRS 10. This means that the Company is expected to prepare its audited Financial Statements as follows:

- a) Financial investments in operating companies (i.e. the core of Maris mission) are reported at fair value on the balance sheet and any changes in fair value are reported through the Statement of Comprehensive Income;
- b) “Support Companies” (i.e. Maris Kenya Ltd., Maris Advisors UK Ltd., Maris Mozambique Limitada and Industrial Support Services Limited), which provide administrative services to other group entities, are reported in consolidated statements together with the group holding company, Maris Limited.



As mentioned, the Support Companies, together with Maris Limited itself, provide administrative services (such as accounting, HR support, provision of directors and others) to other group entities and to external clients. The Support Companies are remunerated on an arm’s-length basis by the entities receiving the services.

On the other hand, the costs of managing the portfolio of existing investments and creating new ones are reported as costs pertaining to Maris Ltd. and are not re-charged. These costs, i.e. Group Operating Costs, represented USD\$2.3m in 2017, USD\$2.4m in 2016 and USD\$2.6m in 2015.

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	The Group		The Company	
		2017	2016	2017	2016
		USD	USD	USD	USD
<b>ASSETS</b>					
<b>Non-current</b>					
Investment in subsidiaries	9	-		991	-
Financial assets at fair value through profit or loss	10	84,234,894	74,483,707	84,234,894	74,483,707
Loans to related parties	11	930,219	158,849	930,219	158,849
Plant and equipment	8	27,056	18,608	-	-
<b>Total Non-current assets</b>		<b>85,192,169</b>	<b>74,661,164</b>	<b>85,170,204</b>	<b>74,643,547</b>
<b>Current</b>					
Current tax asset	22	702	-	-	-
Held-to-maturity investments	12	119,844	122,660	119,844	122,660
Receivables	13	2,915,268	947,376	2,582,247	718,872
Cash and cash equivalents	14	4,978,717	7,475,699	4,261,845	7,445,794
<b>Current assets</b>		<b>8,014,531</b>	<b>8,545,735</b>	<b>6,963,936</b>	<b>8,287,326</b>
<b>TOTAL ASSETS</b>		<b>93,206,700</b>	<b>83,206,899</b>	<b>92,134,140</b>	<b>82,930,873</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Stated capital	15	90,150,888	89,776,088	90,150,888	89,776,088
Retained earnings / (Accumulated losses)		2,305,346	(7,451,929)	1,501,438	(7,443,931)
Share option reserve	16	257,778	27,778	257,778	27,778
Translation reserves		55,517	2,059	-	-
<b>Total equity</b>		<b>92,769,529</b>	<b>82,353,996</b>	<b>91,910,104</b>	<b>82,359,935</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Payables	17	418,605	852,678	224,036	570,938
Current tax liability	22	18,566	225	-	-
<b>Total liabilities</b>		<b>437,171</b>	<b>852,903</b>	<b>224,036</b>	<b>570,938</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>93,206,700</b>	<b>83,206,899</b>	<b>92,134,140</b>	<b>82,930,873</b>

The consolidated financial statements have been approved by the Board of Directors on 30th May 2017 and signed on its behalf by



Charlie Tryon



Harris Harjan

The notes on the following pages form an integral part of these consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

29

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	The Group		The Company	
		2017 USD	2016 USD	2017 USD	2016 USD
<b>INCOME</b>					
Dividends		5,087,083	431,520	5,087,083	431,520
Service fees		176,676	352,777	176,676	352,777
Interest on loans to related parties		29,307	79,988	29,307	79,988
Interest income on treasury bills		4,160	4,217	4,160	4,217
Gain on disposal of investment		-	50,853	-	50,853
Gain on disposal of fixed assets		-	1,782	-	-
Other income		231,269	817,760	179,000	724,557
<b>TOTAL INCOME</b>		<b>5,528,495</b>	<b>1,738,897</b>	<b>5,476,226</b>	<b>1,643,912</b>
<b>EXPENDITURE</b>					
Regional management costs	18	-	-	1,800,000	1,012,972
Direct staff costs		915,206	1,359,078	469,342	749,325
Other expenses	20	114,173	165,934	80,328	54,569
Directors' fees	21	270,588	283,426	270,588	283,426
Professional fees	19	303,849	269,922	185,753	221,088
Travel and miscellaneous expenses		107,873	147,730	7,641	14,980
Regional office costs		344,950	194,257	1,075	2,277
LTIP shares expenses	16	230,000	27,778	230,000	27,778
Expenses on non-recurring services		-	44,240	-	-
<b>TOTAL EXPENDITURE</b>		<b>2,286,639</b>	<b>2,492,365</b>	<b>3,044,727</b>	<b>2,366,415</b>
<b>OPERATING PROFIT/(LOSS)</b>					
		3,241,856	(753,468)	2,431,499	(722,503)
Foreign exchange gains / (losses)		(33,490)	(9,448)	5,962	(6,003)
Impairment of goodwill	9	(4,310)	-	-	-
Bargain purchase	23	77,685	39,412	-	-
Finance income		24	835	-	-
Fair value gains / (losses) on financial assets at fair value through profit or loss (net)	10 & 12	6,507,908	5,169,086	6,507,908	5,169,086
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>9,789,673</b>	<b>4,446,417</b>	<b>8,945,369</b>	<b>4,440,580</b>
Tax expense	22	(32,398)	(13,835)	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>9,757,275</b>	<b>4,432,582</b>	<b>8,945,369</b>	<b>4,440,580</b>

The notes on the following pages form an integral part of these consolidated financial statements.

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	Notes	The Group		The Company	
		2017 USD	2016 USD	2017 USD	2016 USD
<b>OTHER COMPREHENSIVE INCOME</b>					
Exchange differences on translation of foreign operations		53,458	2,059	-	-
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>		53,458	2,059	-	-
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>		9,810,733	4,434,641	8,945,369	4,440,580

The notes on the following pages form an integral part of these consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

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## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

THE GROUP	Stated capital (USD\$)	Retained earnings/ Accumulated losses (USD\$)	Share option reserve (USD\$)	Translation reserve (USD\$)	Total (USD\$)
<b>AT 01 JANUARY 2017</b>	89,776,088	(7,451,929)	27,778	2,059	82,353,996
Employee share incentive (Note 16)	-	-	230,000	-	230,000
Issue of shares (Note 15)	374,800	-	-	-	374,800
Transactions with the shareholders	374,800	-	230,000	-	604,800
Profit for the year	-	9,757,275	-	-	9,757,275
Other comprehensive income: Exchange differences	-	-	-	53,458	53,458
Total comprehensive income for the year	-	9,757,275	-	53,458	9,810,733
<b>AT 31 DECEMBER 2017</b>	90,150,888	2,305,346	257,778	55,517	92,769,529
<b>AT 01 JANUARY 2016</b>	85,150,833	(11,884,511)	-	-	73,266,322
Employee share incentive (Note 16)	-	-	27,778	-	27,778
Issue of shares (Note 15)	4,625,255	-	-	-	4,625,255
Transactions with the shareholders	4,625,255	-	27,778	-	4,653,033
Profit for the year	-	4,432,582	-	-	4,432,582
Other comprehensive income: Exchange differences	-	-	-	2,059	2,059
Total comprehensive income for the year	-	4,432,582	-	2,059	4,434,641
<b>AT 31 DECEMBER 2016</b>	89,776,088	(7,451,929)	27,778	2,059	82,353,996

The notes on the following pages form an integral part of these consolidated financial statements.

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

THE COMPANY	Stated capital (USD\$)	Accumulated losses (USD\$)	Other reserve (USD\$)	Total (USD\$)
<b>AT 01 JANUARY 2017</b>	89,776,088	(7,443,931)	27,778	82,359,935
Employee share incentive (Note 16)	-	-	230,000	230,000
Issue of shares (Note 15)	374,800	-	-	374,800
Transactions with the shareholders	374,800	-	230,000	604,800
Profit for the year	-	8,945,369	-	8,945,369
Total comprehensive income for the year	-	8,945,369	-	8,945,369
<b>AT 31 DECEMBER 2017</b>	90,150,888	1,501,438	257,778	91,910,104

<b>AT 01 JANUARY 2016</b>	85,150,833	(11,884,511)	-	73,266,322
Employee share incentive (Note 16)	-	-	27,778	27,778
Issue of shares (Note 15)	4,625,255	-	-	4,625,255
Transactions with the shareholders	4,625,255	-	27,778	4,653,033
Profit for the year	-	4,440,580	-	4,440,580
Total comprehensive income for the year	-	4,440,580	-	4,440,580
<b>AT 31 DECEMBER 2016</b>	89,776,088	(7,443,931)	27,778	82,359,935

The notes on the following pages form an integral part of these consolidated financial statements.

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	The Group		The Company	
	2017 USD	2016 USD	2017 USD	2016 USD
<b>OPERATING ACTIVITIES</b>				
Profit/(loss) before tax	9,789,673	4,446,417	8,945,369	4,440,580
Adjustments for:				
Dividend income	(5,087,083)	(431,520)	(5,087,083)	(431,520)
Interest income	(33,467)	(84,205)	(33,467)	(84,205)
Foreign exchange losses/(gains)	33,490	9,448	(5,962)	6,003
Fair value gains/(losses) on financial assets at fair value through profit or loss	(6,507,908)	(5,169,086)	(6,507,908)	(5,169,086)
Gain on disposal of investment	-	(50,853)	-	(50,853)
Depreciation	9,581	23,525	-	-
Gain on disposal of fixed assets	-	(1,782)	-	-
Bargain purchase	(77,685)	(39,412)	-	-
LTIP share expenses	230,000	27,778	230,000	27,778
Impairment loss	4,310	-	-	-
	(1,639,089)	(1,269,690)	(2,459,051)	(1,261,303)
Net Change In Working Capital:				
Change in receivables	(201,810)	(646,574)	(97,293)	(519,854)
Change in payables	(434,073)	471,434	(346,902)	325,978
Total changes in working capital	(635,883)	(175,140)	(444,195)	(193,876)
Cash used in operations	(2,274,972)	(1,444,830)	(2,903,246)	(1,455,179)
Refund of tax paid	-	17,607	-	17,607
Income tax paid	(15,584)	(26,069)	-	-
Interest received	4,160	36,171	4,160	36,171
Dividend income	3,321,001	431,520	3,321,001	431,520
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>1,034,605</b>	<b>(985,601)</b>	<b>421,915</b>	<b>(969,881)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of financial assets at fair value through profit or loss	(3,246,510)	(7,117,964)	(3,246,510)	(7,117,964)
Loans to related parties	(746,917)	1,818,872	(746,917)	1,818,872
Acquisition of held-to-maturity investments	(119,364)	-	(119,364)	-
Maturity of held-to-maturity investments	119,322	-	119,322	-
Proceeds from disposal of investment	-	99,280	-	99,280
Proceeds from disposal of assets	-	6,707	-	-
Acquisition of plant and equipment	(15,800)	(27,321)	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,009,269)</b>	<b>(5,220,426)</b>	<b>(3,993,469)</b>	<b>(5,199,812)</b>

The notes on the following pages form an integral part of these consolidated financial statements.

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	The Group		The Company	
	2017 USD	2016 USD	2017 USD	2016 USD
<b>FINANCING ACTIVITIES</b>				
Proceeds from issue of ordinary shares	374,800	4,625,255	374,800	4,625,255
Net cash from financing activities	374,800	4,625,255	374,800	4,625,255
Net change in cash and cash equivalents	(2,599,864)	(1,580,772)	(3,196,754)	(1,544,438)
Cash and cash equivalents, at start of the year	7,475,699	9,063,928	7,445,794	8,986,955
Exchange differences on cash and cash equivalents	102,882	(7,457)	12,805	3,277
Cash and cash equivalents, at end of the year	4,978,717	7,475,699	4,261,845	7,445,794
Cash and cash equivalents made up of:				
Cash at bank (Note 14)	4,978,717	7,475,699	4,261,845	7,445,794

The notes on the following pages form an integral part of these consolidated financial statements.

## 1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

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Maris Limited, the "Company", was incorporated in the Republic of 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 Company's registered office is Suite 011, Grand Baie Business Park, Avenue Geranium and Reservoir Road, Grand Baie, Republic of Mauritius.

The Company and its subsidiaries are collectively referred to as the "Group".

The principal activities of the Group are:

- 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; and
- to offer accounting, administrative and procurement services to group companies and other businesses.

The consolidated financial statements of the Group have been prepared in accordance with IFRS as issued by International Accounting Standards Board ("IASB").

## 2. BASIS OF PREPARATION

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### STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

The Company classifies its subsidiaries at fair value through profit or loss since it meets the definition of an investment entity as per the requirements of IFRS 10, "Consolidated Financial Statements" except for four subsidiaries namely Maris Kenya Limited, Maris Advisors UK Limited, Maris Mozambique Limitada and Industrial Support Services Limited. These four subsidiaries provide investment-related services to support the Company's investment activities and therefore they do not qualify to be measured at fair value through profit or loss under the conditions attached to investment entities and have therefore been consolidated in accordance with IFRS 10, "Consolidated Financial Statements".

## 3. APPLICATION OF NEW AND REVISED IFRS

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### 3.1 NEW AND REVISED STANDARDS THAT ARE EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON 01 JANUARY 2016

In the current year, the following revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 January 2017:

IAS 7	Disclosure Initiative (Amendments to IAS 7)
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Management has assessed the impact of these revised standards and concluded that none of these standards have a material impact on the disclosures of these consolidated financial statements.

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

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

Management anticipates that all of the relevant pronouncements, as applicable to the Group's activities, will be adopted in the Group's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards, amendments to existing standards and interpretations is provided below.

IFRS 17	Insurance Contracts
IFRS 16	Leases
IAS 40	Transfers of Investment Property
IFRIC 22	Foreign Currency Transactions and Advance consideration
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
IFRS 9	Financial Instruments (2014)
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
IFRS 15	Revenue from Contracts with Customers
IFRIC 23	Uncertainty over Income Tax Treatments
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

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

## 4. SUMMARY OF ACCOUNTING POLICIES

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### 4.1 OVERALL CONSIDERATIONS

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

## 4.2 BASIS OF CONSOLIDATION

The Group financial statements consolidate those of the Company and its subsidiaries which provide investment-related services (i.e. Maris Kenya Limited, Maris Advisors UK Limited, Maris Mozambique Limitada and Industrial Support Services Limited) that relate to the Company's investment activities as at 31 December 2017. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies.

Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the consolidated financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of the subsidiaries' profit or loss and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

## 4.3 BUSINESS COMBINATIONS

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire and (c) acquisition-date fair value of any existing equity interest in the acquire, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

## 4.4 INVESTMENT IN SUBSIDIARIES

A subsidiary is an entity over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Investment in subsidiaries is stated at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the consolidated statement of comprehensive income.

## 4.5 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

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 when they are accounted for on a fair value basis under IFRS 9 - "Financial Instruments".

## 4.6 FINANCIAL INSTRUMENTS

### RECOGNITION, INITIAL MEASUREMENT AND DERECOGNITION

Financial assets and financial liabilities are recognised when the Group 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.

All income and expenses relating to financial assets that are recognised in consolidated statement of comprehensive income are presented within finance income or finance costs and other financial items, except for impairment of receivables which is presented within other expenses.

### 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. Any change in value is recognised in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group'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 Group has the intention and ability to hold them until maturity. The Group currently holds Government of Mauritius 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 consolidated statement of comprehensive income. Accrued interest income on HTM investments is accounted for in the consolidated statement of comprehensive income as interest income. Premium paid on HTM investments is amortised over the period of the investment till maturity.

## FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets in this category 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.

The Group 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:

- Average of multiples
- Discounted cash flows model
- Recent comparable transaction prices
- Cost value
- Exit value
- Market value
- RICS Valuation methodology for real estate

In certain cases, the valuations derived are also submitted for independent reviews by industry experts.

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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

The Group'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 consolidated 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.

## 4.7 PLANT AND EQUIPMENT

Plant and equipment are initially recorded at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight line method to write down the cost of assets to their residual values over their estimated useful lives as follows:

Motor vehicles	25%
Furniture and fittings	12.5%- 25%
Computer equipment	30%

The estimated useful lives are reviewed at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined as the difference between the proceeds and the carrying amount of the assets and are included in the consolidated statement of comprehensive income. All repairs and maintenance are expensed during the financial year in which they are incurred.

## 4.8 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.

## 4.9 EQUITY AND RESERVES

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

Retained earnings/(accumulated losses) consist of the current period results aggregated with results of the previous periods as disclosed in the consolidated statement of comprehensive income.

Translation reserve comprises mainly of foreign currency translation differences arising from the translation in USD of the financial statements of the Group's foreign entities.

## 4.10 SHARE-BASED PAYMENTS

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The grant date fair value of equity incentives (deferred shares, performance share and performance options) granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with a share-based payment transaction is presented as share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

## 4.11 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.

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 consolidated 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 in the respective jurisdictions where each entity is incorporated.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward and provisions. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

## 4.12 FOREIGN CURRENCY

### FUNCTIONAL AND PRESENTATION CURRENCY

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

### FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency of the Group, 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 the consolidated statement of comprehensive income.

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.

## FOREIGN OPERATIONS

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the USD are translated into USD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into USD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into USD at the closing rate. Income and expenses have been translated into USD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserves in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

The exchange rates used to convert the Group's foreign entities into USD at reporting date were as follows:

		USD
Great Britain Pound	GBP/USD	1.3494
Kenyan Shilling	KES/USD	0.00978
Mozambique Metical	MZN/USD	0.01713
Mauritian Rupees	MUR/USD	0.02882

## 4.13 REVENUE

Revenue is measured at the fair value of the consideration received or receivable, excluding taxes, trade discounts and rebates. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. 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.

## 4.14 IMPAIRMENT OF ASSETS

At each reporting date, the Group 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.

## 4.15 OPERATING LEASES

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Where the Group is a lessor, rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## 4.16 GOODWILL

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 4.3 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses, if any.

Negative goodwill is recognised in the consolidated statement of comprehensive income.

#### 4.17 PROVISIONS

Provisions are recognised when the Group 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 Group 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.

#### 4.18 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.

#### 4.19 EXPENSE RECOGNITION

All expenses are accounted for on the accrual basis.

#### 4.20 COMPARATIVES

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

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

When preparing the consolidated 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 Group that has the most significant effect on the consolidated financial statements is set out below.

##### Determination Of Functional Currency

The determination of the functional currency of the Group 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 Group is the USD.

##### Investment Entity

Using the guidance as per IFRS 10, "Consolidated Financial Statements", management has determined that the Group meets the definition of an investment entity. This has required management to make significant judgements as to whether the Group has met such definition and the typical characteristics to be considered to qualify as an investment entity as per IFRS 10.

##### Recognition Of Deferred Tax Assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group'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 Group 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 consolidated 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.

### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated issues based on estimate 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 year in which such determination is made.

### Useful Lives And Residual Values Of Plant And Equipment

The Group reviews the estimated useful lives of its plant and equipment at each reporting date. At 31 December 2017, the directors considered that useful lives represent the expected utility of the assets of the Group. The carrying amounts are analysed in Note 8.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 5. FINANCIAL INSTRUMENT RISK

### RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk, concentration risk, operating risk, political risk, legal risk and capital repatriation risk. The Group's overall risk management programme focuses on the above risks and seeks to minimise potential adverse effects on the Group's financial performance.

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

	The Group		The Company	
	2017 USD	2016 USD	2017 USD	2016 USD
<b>FINANCIAL ASSETS</b>				
Financial assets at fair value through profit or loss:				
Investments in unquoted companies	84,234,894	74,483,707	84,234,894	74,483,707
Loans And Receivables				
Non-current:				
Loans to related parties	930,219	158,849	930,219	158,849
Current:				
Receivables*	2,135,542	237,382	2,530,715	59,431
Cash and cash equivalents	4,978,717	7,475,699	4,261,845	7,445,794
Total	7,114,259	7,713,081	6,792,560	7,505,225
Held-to-maturity investments				
Investments in Government of Mauritius Treasury Bills	119,844		119,844	122,660
<b>TOTAL FINANCIAL ASSETS</b>	<b>122,660</b>			
<b>FINANCIAL LIABILITIES</b>	<b>92,399,216</b>	<b>82,478,297</b>	<b>92,077,517</b>	<b>82,270,441</b>
Other liabilities (at amortised cost):				
Payables**				
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>415,053</b>	<b>852,678</b>	<b>224,036</b>	<b>570,938</b>

The most significant risks to which the Group is exposed are described below.

\*Receivables considered as financial assets exclude VAT receivable, deposits, advance payments and prepayments.

\*\* Payables considered as financial liabilities exclude VAT payable.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 5.1 MARKET RISK ANALYSIS

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and capital controls regulations, will affect the Group'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 Group has financial assets and liabilities denominated in foreign currencies. Consequently, the Group is indirectly exposed to significant exchange rate volatility of the Kenyan Shilling, Mauritian Rupee, British Pound and Mozambique Metical that could affect the value of such holdings.

Any change in exchange rates, other than the Company's functional currency, would not have a material impact on the Group operating cash flows.

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

THE GROUP	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2017 USD	2016 USD	2017 USD	2016 USD
United States Dollar (USD)	82,140,253	73,238,211	570,938	244,960
Mauritian Rupee (MUR)	130,188	127,000	-	-
Kenyan Shilling (KES)	2,632	8,846	48,297	-
British Pound (GBP)	8,816	36,098	20,926	-
Mozambique Metical (MZN)	9,972	26	39,656	-
	92,399,216	82,478,297	415,053	852,678

THE COMPANY	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2017 USD	2016 USD	2017 USD	2016 USD
United States Dollar (USD)	91,937,800	82,140,253	224,036	570,938
Mauritian Rupee (MUR)	139,717	130,188	-	-
	92,077,517	82,270,441	224,036	570,938

### INTEREST RATE RISK

The Group is not exposed to any changes in market interest rates. The loans to related parties as well as the Government of Mauritius Treasury Bills are at fixed interest rates. The exposure to interest rates on the Group's cash and cash equivalents, for which the interest is based on market rates, is considered immaterial.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 5.2 CREDIT RISK ANALYSIS

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group'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, as summarised below:

	The Group		The Company	
	2017 USD	2016 USD	2017 USD	2016 USD
<b>FINANCIAL ASSETS</b>				
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss	84,234,894	74,483,707	84,234,894	74,483,707
Loans to related parties	930,219	158,849	930,219	158,849
	<b>85,165,113</b>	<b>74,642,556</b>	<b>85,165,113</b>	<b>74,642,556</b>
<b>Current assets</b>				
Held-To-Maturity Investments	119,844	122,660	119,844	122,660
Receivables	2,135,542	237,382	2,530,715	59,431
Cash and cash equivalents	4,978,717	7,475,699	4,261,845	7,445,794
	<b>7,234,103</b>	<b>7,835,741</b>	<b>6,912,404</b>	<b>7,627,885</b>
<b>TOTAL</b>	<b>92,399,216</b>	<b>82,478,297</b>	<b>92,077,517</b>	<b>82,270,441</b>

The Group holds investments in 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 2017, the fair values of these investments amounted to USD 84,234,894 (2016: USD 74,483,707).

The directors believe that the credit risk associated with the loans to related parties has been properly assessed and reflected in the carrying amount of the loans where necessary.

The directors consider that the credit risk associated with the Government of Mauritius Treasury Bills as remote.

The credit risk for cash and cash equivalents is considered acceptable since the Group transacts with reputable banks.

## 5.3 LIQUIDITY RISK ANALYSIS

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group'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 Group manages liquidity risk by ensuring timely recovery of receivables, return of surplus funds by the investees to the Group and by raising capital.

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

CURRENT LIABILITIES	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
Payables	415,053	852,678	224,036	570,938

## 5.4 CONCENTRATION RISKS

The Group has invested mainly in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Group 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 that such concentration risk has been adequately reflected in the valuation of these investments.

## 5.5 OPERATING RISK

The markets where the Group's holdings operate present various risks in terms of supply chain, infrastructure, security, corruption, health and safety, environmental impact and reputation of the Group. In view of such challenges, the Group 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 Group does not have management control, management seeks to implement appropriate minority protections measures through board representation, the right to appoint the Chairman and veto rights, among others.

## 5.6 POLITICAL RISK

Indirectly, through its holdings, the Group is exposed to political risk in the markets and the sectors where its investments operate. While the Group's geographical and divisional diversification is designed to mitigate political risk, such is considered material. The value of the Group'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 Group's control and may adversely affect the Group's performance.

## 5.7 LEGAL RISK

The regulatory supervision, legal infrastructure and accounting and 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 Group's holdings and performance.

## 5.8 CAPITAL REPATRIATION RISK

Several of the countries where the Group holds investments have capital transfer restrictions in place. The Group organises the operations of its holdings so to ensure compliance and minimise exposure. It is however possible that different interpretation of current regulations or new regulations will be introduced that could partially or totally prevent the Group's ability to transfer funds out of such countries when required. The Board closely monitors such risk and where necessary, legal and other advices are sought.

## 6. FAIR VALUE MEASUREMENT

### 6.1 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents financial assets measured at fair value in the consolidated 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 consolidated statement of financial position are grouped into the fair value hierarchy as follows:

THE COMPANY AND GROUP	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
31 DECEMBER 2017	USD	USD	USD	USD
Financial assets at fair value through profit or loss	-	-	84,234,894	84,234,894
31 DECEMBER 2016				
Financial assets at fair value through profit or loss	-	-	74,483,707	74,483,707

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

### MEASUREMENT OF FAIR VALUE

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

#### Unquoted Investments

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

- Average of multiples
- Discounted cash flows model
- Recent comparable transaction prices
- Cost value
- Exit value
- Market value
- RICS valuation methodology for real estate

In certain cases, the valuations derived are also submitted for independent review by industry experts. A reconciliation of the carrying amounts of financial assets classified within Level 3 has been disclosed in Note 10 to these consolidated financial statements.

## 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 Group acquired such investments 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 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. Where appropriate, the Group also utilises external consultants with specific valuation and sector expertise to supplement the internal valuation work. The Board adopts a prudent approach for investments held in countries with specific risks like political, inflation and social.

The Group's strategy is to create long term value through capital appreciation of its investments and through dividends generation; the Group has identified strategic sectors in which it intends to focus to develop large scale profitable businesses.

The Group regularly monitors the performance of its investments; whenever such performance falls below expectations or the investment fails to achieve sufficient scale, the Group applies different corrective measures such as restructuring the operations, increasing scale or dispose of the investment.

Similarly all investments, regardless of performance, are periodically evaluated to determine the approach that would deliver the highest value to the Company's shareholders; as a result certain investments are exited via a sale to third parties while other are retained for long term dividend generation.

Using different market multiples and valuation parameters will change the fair value of the investment as shown below:

CHANGE IN SHARE PRICES	The Group and Company	
	Change in Fair Value	
	2017 USD\$	2016 USD\$
5%	4,211,745	3,724,185
10%	8,423,489	7,448,371

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

The Group'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 AND NON-FINANCIAL LIABILITIES

The Group's non-financial assets consist of plant and equipment, prepayments, deposits, advance payments, VAT receivable and current tax asset and its non-financial liabilities consist of VAT payable and current tax liabilities.

For non-financial assets and non-financial liabilities, fair value measurement is not applicable since these are not measured on a recurring or non-recurring basis.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

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

The Group monitors capital on the basis of the gearing ratio and as at 31 December 2017, the Group was not geared.

## 8. PLANT AND EQUIPMENT

	Motor vehicles USD	Computer equipment USD	Furniture and fittings USD	Total USD
<b>COST</b>				
At 01 January 2017	5,269	17,118	23,204	45,591
On consolidation	-	2,584	-	2,584
Additions	-	11,563	4,237	15,800
Foreign exchange difference	108	(1,335)	(3,161)	(4,388)
<b>AT 31 DECEMBER 2017</b>	<b>5,377</b>	<b>29,930</b>	<b>24,280</b>	<b>59,587</b>
<b>DEPRECIATION</b>				
At 01 January 2017	2,306	14,233	10,444	26,983
On consolidation	-	1,017	-	1,017
Charge for the year	760	6,447	2,374	9,581
Foreign exchange difference	(698)	(2,181)	(2,171)	(5,050)
<b>AT 31 DECEMBER 2017</b>	<b>2,368</b>	<b>19,516</b>	<b>10,647</b>	<b>32,531</b>
<b>NET BOOK VALUES</b>				
<b>AT 31 DECEMBER 2017</b>	<b>3,009</b>	<b>10,414</b>	<b>13,633</b>	<b>27,056</b>

	Motor vehicles USD	Computer equipment USD	Furniture and fittings USD	Total USD
<b>COST</b>				
At 01 January 2016	14,059	1,804	11,197	27,060
Additions	-	15,314	12,007	27,321
Disposal	(8,790)	-	-	(8,790)
<b>AT 31 DECEMBER 2016</b>	<b>5,269</b>	<b>17,118</b>	<b>23,204</b>	<b>45,591</b>
<b>DEPRECIATION</b>				
At 01 January 2016	5,163	740	1,400	7,303
Charge for the year	988	13,493	9,044	23,525
Disposal adjustment	(3,845)	-	-	(3,845)
<b>AT 31 DECEMBER 2016</b>	<b>2,306</b>	<b>14,233</b>	<b>10,444</b>	<b>26,983</b>
<b>NET BOOK VALUES</b>				
<b>AT 31 DECEMBER 2016</b>	<b>2,963</b>	<b>2,885</b>	<b>12,760</b>	<b>18,608</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 9. INVESTMENT IN SUBSIDIARIES

### 9.1 UNQUOTED AND AT COST:

	2017 USD\$	2016 USD\$
At 01 January 2017	991	-
Transfer from fair value through profit or loss	4,100	991
At 31 December 2017	5,091	991

### 9.2 DETAILS OF THE INVESTMENT IN THE SUBSIDIARIES ARE AS FOLLOWS:

NAME OF SUBSIDIARIES	Country of incorporation	Type of share	% holding	2017 USD	2016 USD
Maris Kenya Limited	Kenya	Equity	100%	990	990
Maris Advisors UK Limited	United Kingdom	Equity	100%	1	1
Industrial Support Services Limited	Republic of Mauritius	Equity	100%	100	-
Maris Mozambique, Limitada	Republic of Mozambique	Equity	100%	4,000	-
Total	-			5,091	991

The investment in Industrial Support Services Limited has been transferred from fair value through profit or loss to investment in subsidiaries as this company provides business support services as from January 2017 and therefore it does not qualify to be measured at fair value through profit or loss under the conditions attached to investment entities.

The acquisition of investment in Industrial Support Services Limited resulted in a bargain purchase gain of USD 77,685 as the net assets acquired exceeded the consideration paid.

The acquisition of investment in Maris Mozambique Limitada resulted in goodwill of USD 4,310 as the consideration paid exceeded the net assets acquired and the goodwill was fully impaired during the current year.

The above cost is considered to be a reflection of the fair value.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

The Group and the Company

(i) Unquoted and at fair value

	2017 USD	2016 USD
At 01 January	74,483,707	62,193,839
Transfer to investment in subsidiaries	(4,100)	-
Additions during the year – equity investments	1,601,061	3,007,031
Additions during the year – non-equity investments	1,645,449	4,110,933
Fair value gain on re-measurement	6,508,777	5,171,904
At 31 December	84,234,894	74,483,707

(ii) Quoted and at fair value

	2017 USD	2016 USD
At 01 January	-	54,583
Transfer to held-to-maturity investments	-	(6,155)
Disposal during the year	-	(48,428)
Fair value gain on re-measurement	-	-
At 31 December	-	-
<b>Total</b> 84,234,894	<b>74,483,707</b>	

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

INVESTEES COMPANY	Country of operation	Effective % shareholding of underlying assets	Direct investee legal name (SPV)	Country of incorporation	% holding	Fair Value 2017 USD\$	Fair Value 2016 USD\$
<b>Agriculture &amp; Forestry</b>							
Central Equatoria Teak Company Limited	South Sudan	79%	Central Equatoria Teak Holdings Limited	Republic of Mauritius	97%	-	196,395
Equatoria Teak Company Limited	South Sudan	83%	Equatoria Teak Holdings Limited	Republic of Mauritius	97%	7,860,407	7,682,870
Tatepa Limited	Tanzania	18%	Maris Tatepa Holdings Ltd	Republic of Mauritius	100%	3,292,867	3,292,867
<b>Business Services</b>							
Equator Drilling, S.A.	Mozambique/ Democratic Republic of the Congo	80%	Equator Drilling International Ltd	Republic of Mauritius	80%	1,726,556	1,726,556
Equator Energy	Kenya/ Zimbabwe/ South Sudan	70%	Equator Energy Genco 2 Ltd	Republic of Mauritius	70%	1,961,000	131,589
MTA - Maquinas e Tractores de Angola, LDA	Angola	50%	Machinery & Plant Angola	Republic of Mauritius	50%	2,700,000	274,145
Machines and Tractors Tanzania	Tanzania	50%	Machinery & Plant One Ltd	British Virgin Islands	50%	2,149,998	1,346,160
Machines and Tractors Rwanda	Rwanda	50%	Machinery & Plant Africa Ltd	Republic of Mauritius	50%	550,000	1
Industrial Support Services Limited	Republic of Mauritius	100%	Industrial Support Services Limited	Republic of Mauritius	100%	-	6,690
Maris Mozambique, Limitada	Mozambique	100%	Maris Mozambique, Limitada	Mozambique	100%	-	4,000
Untu	Zimbabwe	33%	Untu Holdings Limited	Botswana	31%	850,000	1,155,000
Global Machines Trading Services	Republic of Mauritius	0%	Global Machines Trading Service Limited	Republic of Mauritius	0%	-	2,402,424

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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(iv) Details of the Group's and the Company's financial assets at fair value through profit or loss are as (cont.):

INVESTEES COMPANY	Country of operation	Effective % shareholding of underlying assets	Direct investee legal name (SPV)	Country of incorporation	% holding	Fair Value 2017 USD\$	Fair Value 2016 USD\$
<b>Mining</b>							
Karebe Gold Mining Limited	Kenya	80%	Equatorial Mining Limited	British Virgin Islands	100%	16,000,000	16,000,000
Commoner Mine	Zimbabwe	80%	Commoner Mine Mauritius Ltd	Republic of Mauritius	100%	4,036,564	3,150,062
Venice Mine	Zimbabwe	90%	Venice Mine Mauritius Ltd	Republic of Mauritius	100%	14,145,689	12,255,732
<b>Property Services</b>							
Africa Logistics Properties	Kenya	13%	Africa Logistics Properties Holdings Ltd	Republic of Mauritius	13%	5,485,909	2,429,954
Operational Support Services (OSS) Limited (Acacia Village)	South Sudan	54%	Operational Support Services Limited	Gibraltar	55%	1,121,377	430,017
Afritise Limited	South Sudan	28%	Afritise (Cyprus) Ltd	Republic of Cyprus	28%	-	138,900
Quirimbas Support Services (Kaia Village)		100%	Quirimbas Support Services 23 Ltd	British Virgin Islands	100%	7,950,000	6,500,000
MMO Mozambique Managed Offices, Limitada		75%	Africa Managed Office Solutions	Republic of Mauritius	75%	1,262,454	1,308,272
Mulitani, S.A.		100%	Mulitani BVI Ltd	British Virgin Islands	100%	7,550,000	7,883,000
OSS DRC	Democratic Republic of the Congo	45%	Hinterland Ltd	Republic of Mauritius	45%	292,073	278,573
OSS Mozambique		100%	Operational Support Services BVI Ltd	British Virgin Islands	100%	5,300,000	5,890,500
<b>TOTAL</b>						<b>84,234,894</b>	<b>74,483,707</b>

1. The Company's shareholding in Africa Logistics Properties Holdings Limited was reduced to 12.8% (2016: 100%) as a result of a rights issue done by the latter in March 2017.
2. On 16 October 2017, the Company transferred its 50% shareholdings in Global Machines Trading Service Limited (Mauritius) ("GMTS") to an unrelated party; prior to the transfer, all assets and liabilities of GMTS had been assigned to Machinery & Plant Africa Limited (Mauritius). Part of the investment of the Company into Maquinas e Tractores de Angola ("MTA"), Machines and Tractors Tanzania ("MTT") and Machines and Tractors Rwanda ("MTR") had been channelled through GMTS; therefore the disposal of GMTS affects the fair value comparison between the years 2016 and 2017. For better clarity, the combined fair value of MTA, MTT, MTR and GMTS is USD\$5,399,998 for 2017 (2016: USD\$4,022,730).
3. On 20 December 2017, the Company's subsidiary Afritise (Cyprus) Limited sold all of its shares in Afritise (Southern Sudan) Limited to Operational Support Services (South Sudan) Limited; Afritise (Cyprus) Limited is now being wound up.
4. At the completion of the transaction in point (iii) above, the Company's shareholding in Operational Support Services (Gibraltar) Limited increased to 55% (2016: 47%).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 11. LOANS TO RELATED PARTIES

	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
Loans to related parties	930,219	158,849	930,219	158,849

- (i) The above loans are unsecured and carry interest between 0-15% per annum and with no fixed repayment terms.
- (ii) The loans will mature on the maturity date and will be automatically renewed for an additional 12 months under the same terms unless terminated under the provisions of the relevant agreements.

## 12. HELD-TO-MATURITY INVESTMENTS

The Group has treasury bills through a financial institution with a maturity date of 27 April 2018 and at an interest rate of 1.75% payable semi-annually. The nominal amount is MUR 4m (equivalent to USD\$117,345).

	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
At 01 January	122,660	119,422	122,660	119,422
Additions during the year	119,364	-	119,364	-
Matured during the year	(119,322)	-	(119,322)	-
Transferred from fair value through profit or loss	-	6,155	-	6,155
Foreign exchange loss on retranslation	(1,989)	(99)	(1,989)	(99)
Fair value loss on re-measurement	(869)	(2,818)	(869)	(2,818)
At 31 December	119,844	122,660	119,844	122,660

## 13. RECEIVABLES

	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
Receivable from Maris Africa Fund L.P.	-	10,915	-	10,915
Other receivables	90,678	122,583	-	794
Prepayments	136,576	68,672	16,030	62,932
Deposits	536,775	591,322	24,980	546,509
Dividend receivable	1,766,082	-	1,766,082	-
Due from shareholders	-	32,214	-	32,214
Due from related parties (Note (i))	385,157	121,670	775,155	65,508
<b>TOTAL</b>	<b>2,915,268</b>	<b>947,376</b>	<b>2,582,247</b>	<b>718,872</b>

- (i) The amounts due from the shareholders and the related parties are unsecured, interest free and receivable on demand.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 14. CASH AND CASH EQUIVALENTS

Cash at bank	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
USD	4,934,954	7,450,827	4,239,502	7,434,928
MUR	22,343	10,866	22,343	10,866
KES	2,632	8,693	-	-
GBP	8,816	5,287	-	-
MZN	9,972	26	-	-
	4,978,717	7,475,699	4,261,845	7,445,794

## 15. STATED CAPITAL

	2017 USD\$	2016 USD\$
Ordinary shares at no par value	90,150,888	89,776,088

(i) Movement during the year:

	2017 USD\$	2016 USD\$
At 01 January	89,776,088	85,150,833
Issue of shares (Note (ii))	374,800	-
Rights issue during the year	-	4,625,255
At 31 December	90,150,888	89,776,088

Pursuant to Side Letters between the Company and some of its shareholders, the Company issued 430,804 shares at USD 0.87 per share.

## 16. SHARE OPTION RESERVE

Pursuant to clause 18.5 of the Shareholders Agreement, the Company has implemented a Long-Term Incentive Plan (LTIP). Under the LTIP, selected employees have been awarded deferred shares grants which allow them to receive ordinary shares of the Company after three years from grant date provided that certain conditions are met. The LTIP meets the definition of equity-settled incentive and has been accounted for based on the following parameters:

- 935,400 number of deferred shares granted in 2017
- USD 0.87 estimated FMV of one share at the time of granting
- 14.7% estimated probability of vesting conditions not being met
- The resulting cost of the benefit is amortised over 3 years

During the financial year 2017, a benefit of USD 230,000 (2016: USD 27,778) has been accounted as expense in the consolidated statement of comprehensive income and a corresponding entry has been made in share option reserve.

## 17. PAYABLES

	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
Accruals	285,134	336,261	219,874	313,656
Other payables	90,930	180,366	-	-
Due to related parties (Note (i))	42,541	336,051	4,162	257,282
	418,605	852,678	224,036	570,938

(i) The amount due to the related parties is unsecured, interest free and repayable on demand.

## 18. REGIONAL MANAGEMENT COSTS

In order to manage its activities, the Group maintains management resources (the "Regional Management") at different locations: Mauritius, Nairobi, Maputo and London. The Regional Management is hosted by Maris Kenya Limited ("MKL") in Kenya, by Maris Advisors UK Limited ("MCA") in the United Kingdom and by Industrial Support Services Limited ("ISS") in the Republic of Mauritius.

MKL, MCA and ISS charge the Group substantially "at cost" for the expenses incurred in hosting the regional management.

The expenses charged are as follows:

	The Company	
	2017 USD\$	2016 USD\$
MKL charged to the Company	-	412,972
MCA charged to the Company	-	600,000
ISS charged to the Company	1,800,000	-
	1,800,000	1,012,972

## 19. PROFESSIONAL FEES

	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
Legal fees and professional fees	135,154	98,182	85,457	72,837
Other professional fees	29,957	76,651	29,957	76,651
Audit fees	44,469	46,447	35,000	35,000
Consultancy fees	94,269	48,642	35,339	36,600
	303,849	269,922	185,753	221,088

## 20. OTHER EXPENSES

	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
Insurance expenses	51,140	33,678	40,520	18,244
Bank charges	31,975	19,509	13,496	16,193
Bad debts written off	7,840	599	3,896	-
Liability written back	-	(57,968)	-	(57,968)
Other expenses	23,218	170,116	22,416	78,100
	114,173	165,934	80,328	54,569

## 21. DIRECTOR'S REMUNERATION

The non-executive directors' fees structure of the Company is as follows:

	YEAR ENDED 31 DECEMBER 2017	YEAR ENDED 31 DECEMBER 2016
Annual net fees unless otherwise indicated	USD	USD
Chairman of the Board	85,000	85,000
Non-executive director	20,000	20,000
Chairman of Board committee	15,000	15,000
Member of Board committee	5,000	5,000
Attendance to out-of-Europe meeting	3,000	3,000

The Chairman of the Board is not eligible for attendance fee and committee fee. The total amount of directors' fees incurred during the year has been USD 270,588 (2016: USD 283,426). For the year 2018, the Board has resolved to reduce the directors' fees by 20% compared to the table above. It is expected that director' fees will revert to the values in the table above for the year 2019 onwards.

## 22. TAXATION

### INCOME TAX EXPENSE

#### The Company

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.

The Company had no income tax liability as at 31 December 2017 (2016: Nil).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

## The Subsidiaries

The subsidiary incorporated in United Kingdom is liable to income tax at the rate of 16% and at 31 December 2017, it had an income tax liability of USD\$17,474. The subsidiary incorporated in Kenya is liable to income tax at the rate of 30% and at 31 December 2017, it had an income tax asset of USD\$702 (2016: income tax liability of USD\$225). The subsidiary incorporated in the Republic of Mauritius holds a Category 2 Global Business Licence holder and hence is exempt from tax. The subsidiary incorporated in Mozambique is liable to income tax at a rate of 32% and at 31 December 2017, it had an income tax liability of USD\$1,092.

CURRENT TAX ASSETS	The Group	
	2017 USD\$	2016 USD\$
At 01 January	(225)	-
Charge for the year	(14,727)	-
Tax paid during the year	15,584	-
Currency translation differences	70	-
At 31 December	702	-

CURRENT TAX LIABILITIES	The Group	
	2017 USD\$	2016 USD\$
At 01 January	-	(12,462)
Charge for the year	(18,566)	(13,835)
Tax paid during the year	-	26,069
Currency translation differences	-	3
At 31 December	(18,566)	(225)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## INCOME TAX RECONCILIATION

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

	The Group		The Company	
	2017 USD\$	2016 USD\$	2017 USD\$	2016 USD\$
Profit / (loss) before tax	9,789,673	4,446,417	8,945,369	4,440,580
Tax exempt profit due to Category 2 Global Business Licence	(619,930)	-	-	-
	9,169,743	4,446,417	8,945,369	4,440,580
Tax calculated at the rate of 15%	1,375,461	666,963	1,341,805	666,087
Adjustment for tax rate difference in foreign jurisdiction	8,962	6,460	-	-
Exempt income	(977,113)	(791,686)	(976,186)	(791,686)
Tax losses utilised	(198,709)	-	(197,944)	-
Non-allowable expenses	168,841	25,454	165,931	24,138
Deferred tax asset not recognised	-	105,457	-	101,461
Currency translation differences	(11,438)	1,187	-	-
Deemed tax credit	(333,606)	-	(333,606)	-
Tax expense	32,398	13,835	-	-

## DEFERRED TAXATION

### The Group and the Company

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

## 23. CONSOLIDATION

Details regarding the subsidiaries, their total assets and liabilities as at 31 December 2017, and their revenue and loss for the year then ended are as follows:

### Maris Advisors UK Limited

Country of incorporation	United Kingdom
Proportion of ownership interest	100%

	2017 USD\$	2016 USD\$
Total assets	177,730	107,009
Total liabilities	111,087	131,176
Revenue	599,227	700,190
Profit/(loss) for the year	88,883	(26,642)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## Maris Kenya Limited

Country of incorporation	Kenya
Proportion of ownership interest	100%

	2017 USD\$	2016 USD\$
Total assets	151,748	220,008
Total liabilities	51,227	150,789
Revenue	814,818	728,505
Profit/(loss) for the year	27,978	29,231

## Industrial Support Services Limited

Country of incorporation	Republic of Mauritius
Proportion of ownership interest	100%

	2017 USD\$	2016 USD\$
Total assets	1,241,945	-
Total liabilities	544,229	-
Revenue	1,800,000	-
Profit/(loss) for the year	619,930	-

## Maris Mozambique, Limitada

Country of incorporation	Mozambique
Proportion of ownership interest	100%

	2017 USD\$	2016 USD\$
Total assets	44,256	-
Total liabilities	44,986	-
Revenue	-	-
Profit/(loss) for the year	242	-

## Bargain purchase gain

	2017 USD\$	2016 USD\$
Consideration paid	100	990
Net assets acquired	77,785	40,402
Bargain purchase gain	77,685	39,412

## Goodwill and consolidation

	2017 USD\$	2016 USD\$
Consideration paid	4,000	-
Net assets acquired	310	-
Goodwill	4,310	-

The goodwill on consolidation was fully impaired during the year.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

## 24. RELATED PARTY TRANSACTIONS

For the year ended 31 December 2017, the Company had transactions with its related parties. The nature, volume of transactions and the balances with the related are as follows:

### THE GROUP

NATURE OF RELATIONSHIP	NATURE OF TRANSACTIONS	VOLUME OF TRANSACTION USD	DEBIT (CREDIT) BALANCES AT 31 DECEMBER 2017 USD	DEBIT (CREDIT) BALANCES AT 31 DECEMBER 2016 USD
Group companies	Loans	795,630	912,408	116,778
	Interest on loans	24,260	17,811	42,071
	Receivables	252,965	374,635	121,670
	Payables	225,863	(42,541)	(268,404)
	Dividend receivable	1,766,082	1,766,082	-
Common directorship	Receivables	10,915	-	10,915
Shareholder	Receivables	32,214	-	32,214
Key management personnel	Payables	67,647	-	(67,647)
	Receivables	10,522	10,522	-

### THE COMPANY

NATURE OF RELATIONSHIP	NATURE OF TRANSACTIONS	VOLUME OF TRANSACTION USD	DEBIT (CREDIT) BALANCES AT 31 DECEMBER 2016 USD	DEBIT (CREDIT) BALANCES AT 31 DECEMBER 2015 USD
Group companies	Loans	795,630	912,408	116,778
	Interest on loans	24,260	17,811	42,071
	Receivables	242,535	258,043	15,508
	Payables	185,473	(4,162)	(189,635)
	Dividend receivable	1,766,082	1,766,082	-
Common directorship	Regional management costs	1,850,000	-	50,000
	Receivables	10,915	-	10,915
Shareholder	Receivables	32,214	-	32,214
Subsidiary	Receivables	506,590	506,590	-
Key management personnel	Payables	67,747	-	(67,647)
	Receivables	10,522	10,522	-

The related party transactions are carried out on commercial terms unless otherwise stated.

## 25. CONTINGENT LIABILITIES

The Company's subsidiary, Industrial Support Services Limited, has availed the following joint Standby Letter of Credit ("SBLC") from Standard Bank Mauritius Limited to secure the payment by Machines and Tractors Tanzania Ltd, Maquinas e Tractores De Angola Lda, MTR Holdings Ltd and Global Machines Trading Services Ltd for the purchase of industrial products on credit:

	LOAN AMOUNT		TENOR NUMBER OF YEARS
	2017 USD	2016 USD	
Global Machines Trading Services Ltd Machines and Tractors Tanzania Ltd Maquinas and Tractores De Angola Lda MTR Holdings Ltd	500,000 joint SBLC on behalf of the four entities mentioned above	350,000 - -	1

The Standby Letter of Credit qualifies 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 the suppliers of the industrial goods unless payments for products purchased are not received by the investees. Hence, these are being recognised by way of disclosure only.

## 26. EVENTS AFTER THE REPORTING DATE

On 05 February 2018, the Company entered into two agreements with Alanja Limited and North Sea Holdings Limited respectively to acquire the shares held by the latter in Equatoria Teak Holdings Limited ("ETHL") for USD\$239,232. As a result of the transaction, the Company now holds 100% of the shares in ETHL.

On 26 February 2018, the Company entered into a Sale of Shares Agreement with Untu Holdings Limited ("Untu") by which the Company has agreed to sell all of its shares in Untu to Untu itself for USD\$850,000 plus interest.



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