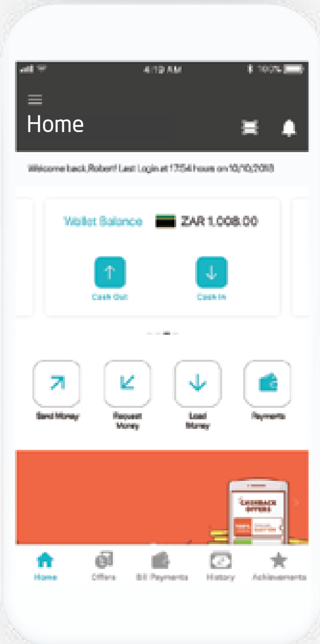
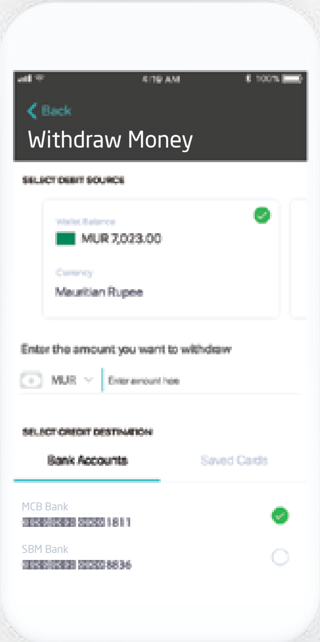
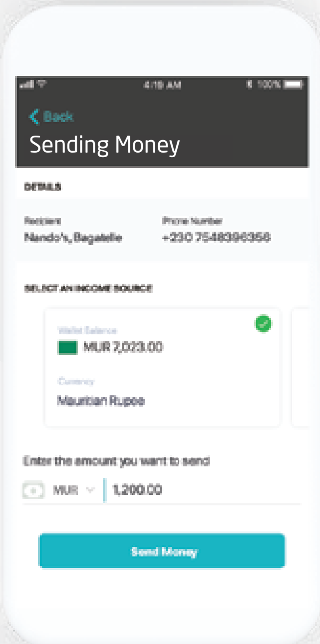
Anglo NanoBNK Ltd

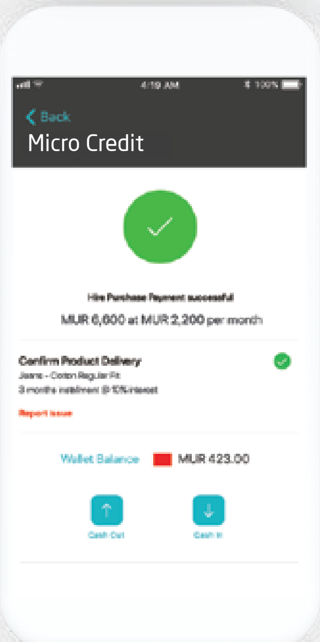
nano [BNK]

Bridging the Banks and the Unbanked









The poor are getting poorer and poverty levels around the world are in a state of emergency. With global trends such as Digital, Fintech and De-Risking, some Tier 2/3 banks will soon be in survival mode.

If we can harness technology to bridge the banks and the unbanked, we would have a fighting chance in the war against Poverty, Ignorance and Discrimination.

INTEGRATED REPORT

FOR THE YEAR ENDED 30 JUNE 2018

[Opening Note]

When the Anglo African Group [parent company of NanoBNK] embarked on its journey to integrated thinking and sustainable development three years ago, we needed to firstly ascertain where and how technology would have a sustainable impact in fighting Poverty, Ignorance and Discrimination. Secondly, as we wanted to develop our own Intellectual, Digital and Technological capitals, we had to ensure that the investment areas identified were going through a disruption phase that would justify the development of our own Intellectual Property [IP], Platform and Applications hence reducing our dependency on expensive platforms with high costs of maintenance, depreciation and financing.

It was therefore inevitable that the first initiative that we invested in was Fintech. In theory, it was simple based on our Integrated Thinking and Sustainable development requirements. In practice however, the project itself: "A digital banking platform focused on Financial Inclusion" was a major challenge. Now, adding new challenges such as Own IP, Digital Transformation, Emerging Technologies such as Artificial Intelligence [AI], Big Data and Blockchain was piling up the risks but gave us the satisfaction of closing in on our vision. So, we started by a pilgrimage to the Fintech capitals of the world: London, Singapore and lately Paris and UAE where we scanned, visited and tracked over 250 Fintech start-ups to understand their culture. Towards the end of 2016, NanoBNK was launched with these two Unique Selling Proposals [USPs]!

1

The arrival of the United Nations Sustainable Development Goals [UN SDGs] could not have been better timed and we immediately aligned our business model to the following UN SDGs: No Poverty, Gender Equality, Reduced Inequality and Partnerships for the Goals. During the course of this report, we go into details how NanoBNK is addressing these goals both internally and externally. Our digital banking platform as well as our Financial Inclusion Applications such as: 1. Digital Payment Gateway. 2. Microfinance and 3. Cross Border Remittance are all strongly aligned to each of these SDGs.

2

In order to make a lasting impact on the SDGs above mentioned, we had to ensure that our business model was profitable but more importantly, was creating value over the medium and long term over the different capitals that we selected. This required some serious out-of-the-box thinking as we do not fight banks but instead partner with them to enable us to deploy over a number of countries in record time and hence reap various benefits of economies of scale and scope!

This partnership - whereby the local banks are responsible for capital provisioning, regulatory and customer aspects while we take care of the digital transformation, integration, penetration and engagement of financially excluded population - has proved to be successful as we have had a profitable first financial year.We have won a number of accolades - notably the nomination by the Finance for the Future Awards sponsored by Deloitte, ICAEW and A4S in the "Innovative Project" category, and we have signed up with a regional African bank as well as a global bank operating in more than 10 countries in Africa. The traction and interest that NanoBNK is receiving will soon require that we open up to Series "A" funding, so that we can fast-track our business development activities in Southern Africa as well as in the ASEAN countries.

Deloitte. ICAEW CHARTERED ACCOUNTANTS A4S London Stock Exchange

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For more information about Anglo NanoBNK Ltd & this report, please visit our corporate website: **www.nanobnk.com**

[About this Report]

Introduction

This is the first Integrated Report of Anglo NanoBNK Ltd (hereafter referred to as 'NanoBNK' or 'the Group'). We continue to benchmark ourselves against best global practices in the corporate reporting space. In preparing this report, we have been inspired by a number of standards such as the International Integrated Reporting Council's framework and non-financial reporting such as Sustainable Development Goals (SDGs) of the United Nations.

Reporting to stakeholders

This integrated report is our primary report and serves to cater for the diverse range of stakeholders with varied information needs. We provide a range of communication aimed at addressing our stakeholders' requirements.

Materiality

This integrated report chooses to focus on material developments and matters, and provides pertinent financial and non-financial performance indicators that are relevant to a wide cross-section of stakeholders.

UN Sustainable Development Goals (SDGs)

NanoBNK is committed to playing its role, as a private sector company, in the attainment of these goals. During the course of the year, we have firmed up our selection to the following six SDGs: #1, 5, 8, 9, 10 and 17. We have summarised our actions both internal and external of each SDG in our SDG Mapping Section on Page 16. Our approach for delivering on these goals is reviewed throughout this report and in the SDGs Mapping section of "About Us" chapter.

Scope and Boundary

The 2018 annual integrated report covers the period 1st July 2017 to 30th June 2018. Any material event after this date and up to the Group's Board of directors' (Board) approval on 21st September 2018 has also been included. The integrated report discusses our operations in Mauritius, Africa and India, the geographic regions in which we operate. Our annual financial statements are prepared in accordance with IFRS.

Integrated Thinking

Over the last 2 years we have re-examined our business model, especially its use of financial, human, relationship, technological and intellectual capitals and how they interact with each other, how we generate revenue, what drives our profit and how much value we create across our different capitals.

We believe that we have been able to review and re-design our business model to be able to respond to market forces and disruptions, manage the key risks and opportunities, and align with our strategic objectives. This has effectively enabled us to move our focus from a "Short-Term Profitability" business model to a "Long-Term Value Creation" one.

Looking Forward

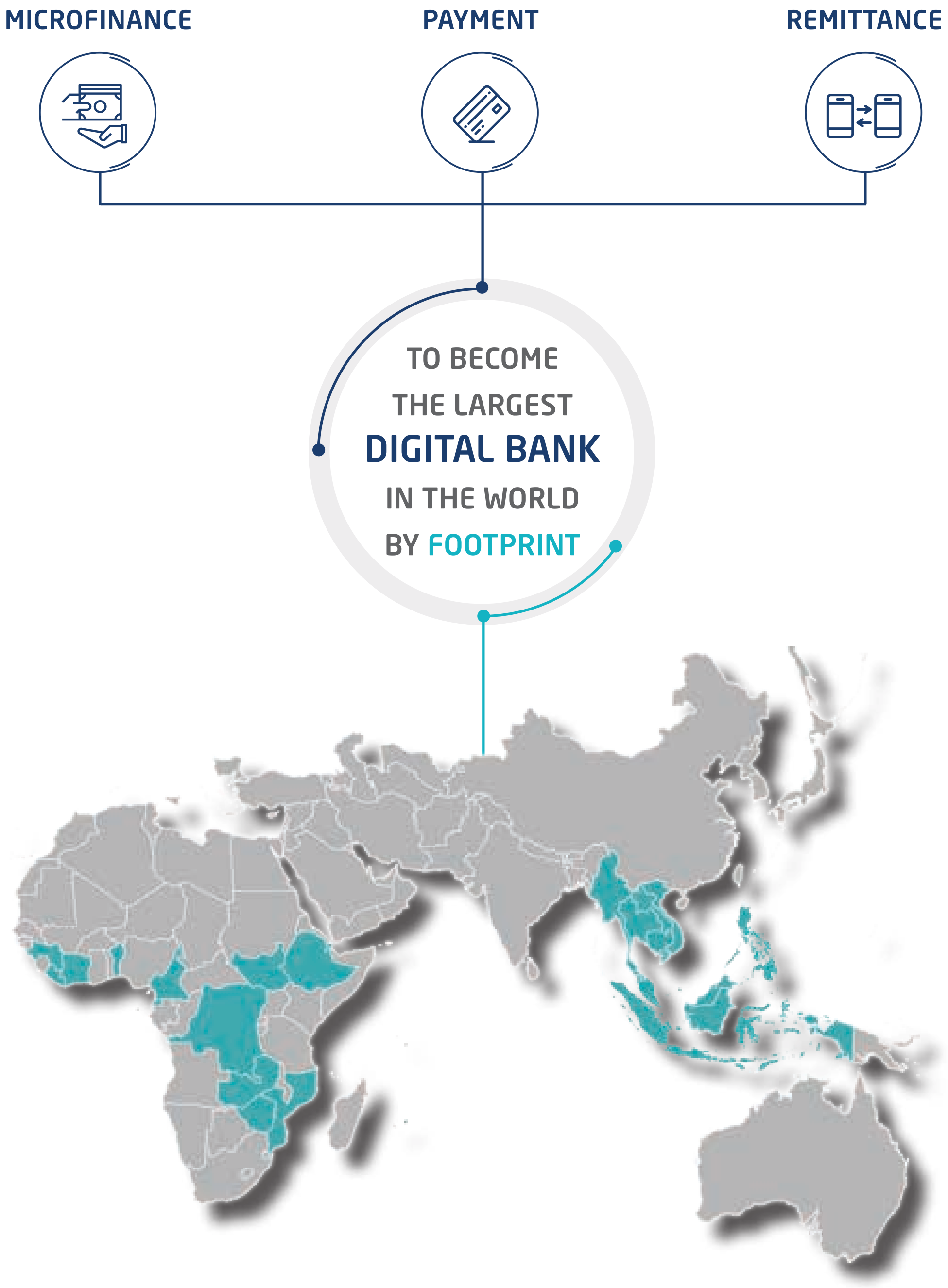
In this Integrated Report, we dedicate a part of our thinking process to the long-term value-add, how the Financial Inclusion space would look like, and our place therein. The next five years will be intensely disruptive. The theme of this Integrated Report is Integrated Thinking, Sustainable Development and Value Creation.

In this respect, we have worked on connectivity between our Integrated Thinking described earlier, Sustainable Development Goals and Long-Term Value Creation across our five capitals. Our business is reviewed quarterly to ensure alignment with our Business Model, Strategies, UN SDGs and our five Capitals.

Our DNA

1

[Our Vision]



OUR MISSION

Development of digital banking platform and financial inclusion applications to fight exclusion, poverty and discrimination

OUR PURPOSE

Bridge the gap between the Banks and the Unbanked population

OUR VALUES

Highest level of Integrity
Customer First
Growing our People
Forward Looking
Innovative

[Highlights] - FYE 30.06.2018

Financial Capital

For our first full year of operations, we achieved Revenue of Rs 21.9 Mn and Profit after tax of Rs 5.1 Mn to achieve a satisfactory net profit margin of 23%. Although this sends a strong signal with regards to the robustness of our business model, we acknowledge the challenge that we are heavily investing to develop and deploy our platform but our revenue will not be received over the current or next financial year but subsequent ones.

Human Capital

While we have ensured a high level of automation with regard to the operational aspects of the platform, we require talented experts for the development of this platform. Our bilingual people based in Mauritius focus on implementation, L1 & L2 support and business development while our team in Bengaluru focuses on software development and L3 support. We also have plans for a Research & Innovation [R&I] team in Paris, London, Singapore or Dubai.

Intellectual and Digital Capital

We have already invested around Rs 10 Mn in R&I and we expect this to grow as we continue to improve and optimise our current platform and applications. Moreover, we are embedding new applications in our current offerings based on market requirements. This remains a key success factor for NanoBNK as we bring to the table our own platform and applications which allow massive reduction of cost-income ratios.

Relationship and Social Capital

This is a capital that has done particularly well in 2018. First, we were interviewed by the London Stock Exchange in March as part of their Elite programme. Moreover, we have been nominated in the Finance for the Future Awards, sponsored by A4S, ICAEW and Deloitte in the “Innovative Project” category. Furthermore, we have as client a regional bank and a global one, with over 10 countries signed up!

Technological Capital

While platform and applications are already live in Cameroon, we do not have a high number of connected users during the year under review as this is our first year of operations. We are also dependent upon the maturity level of our local banking partner with regard to digital transformation and hence in order to ensure a win-win situation, we accompany them under a Revenue Sharing business model.

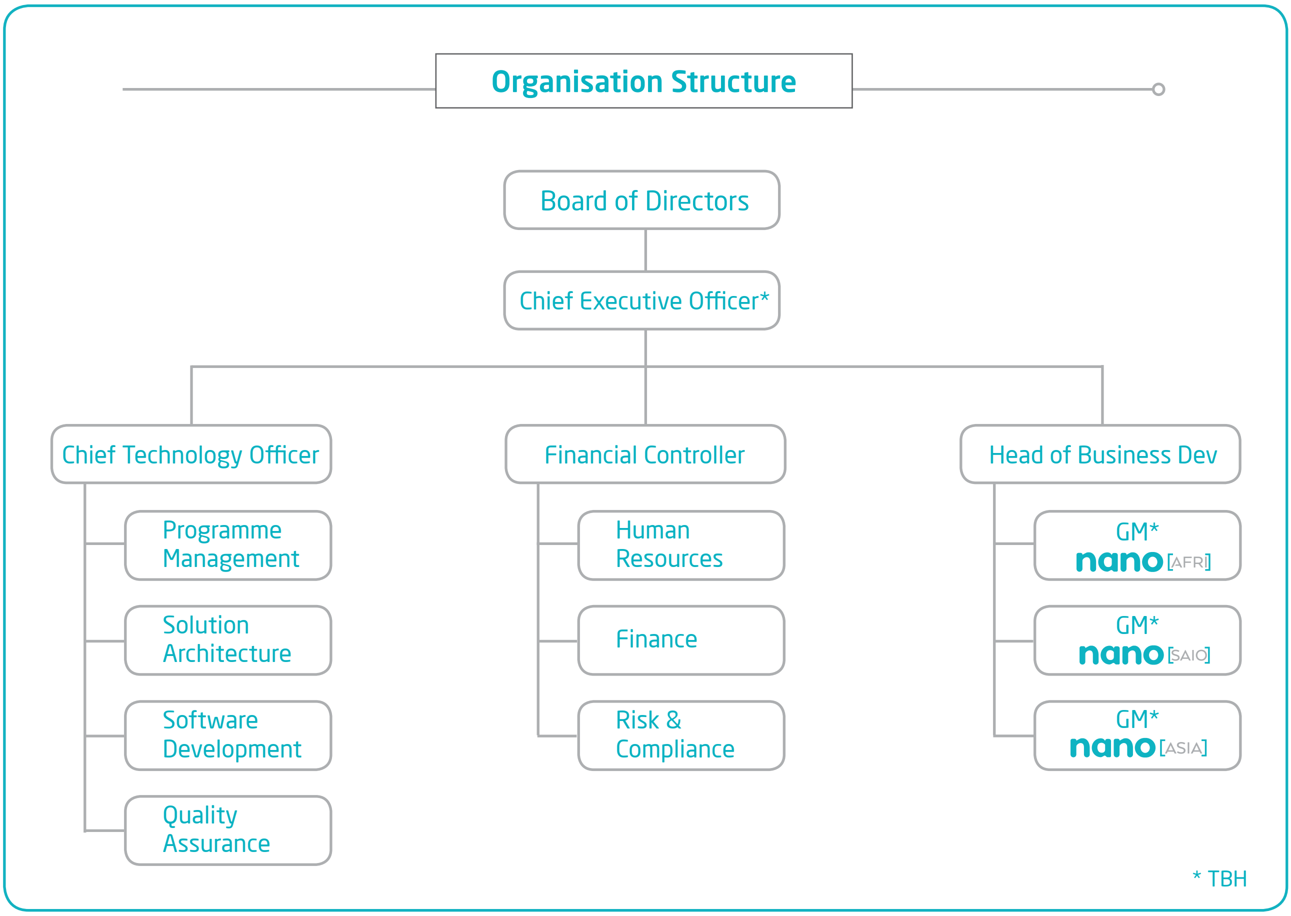
[About Us & Group Structure]

NanoBNK is a digital banking platform with financial inclusion applications such as Digital Payment Gateway, Microfinance, Cross Border Remittances as well as country specific applications such as Agency banking, Border Control Wallet and others listed in our AppBazaar. We use emerging technologies such as RPA/AI, Big Data and Blockchain to ensure that our operations are cheaper, faster and safer.

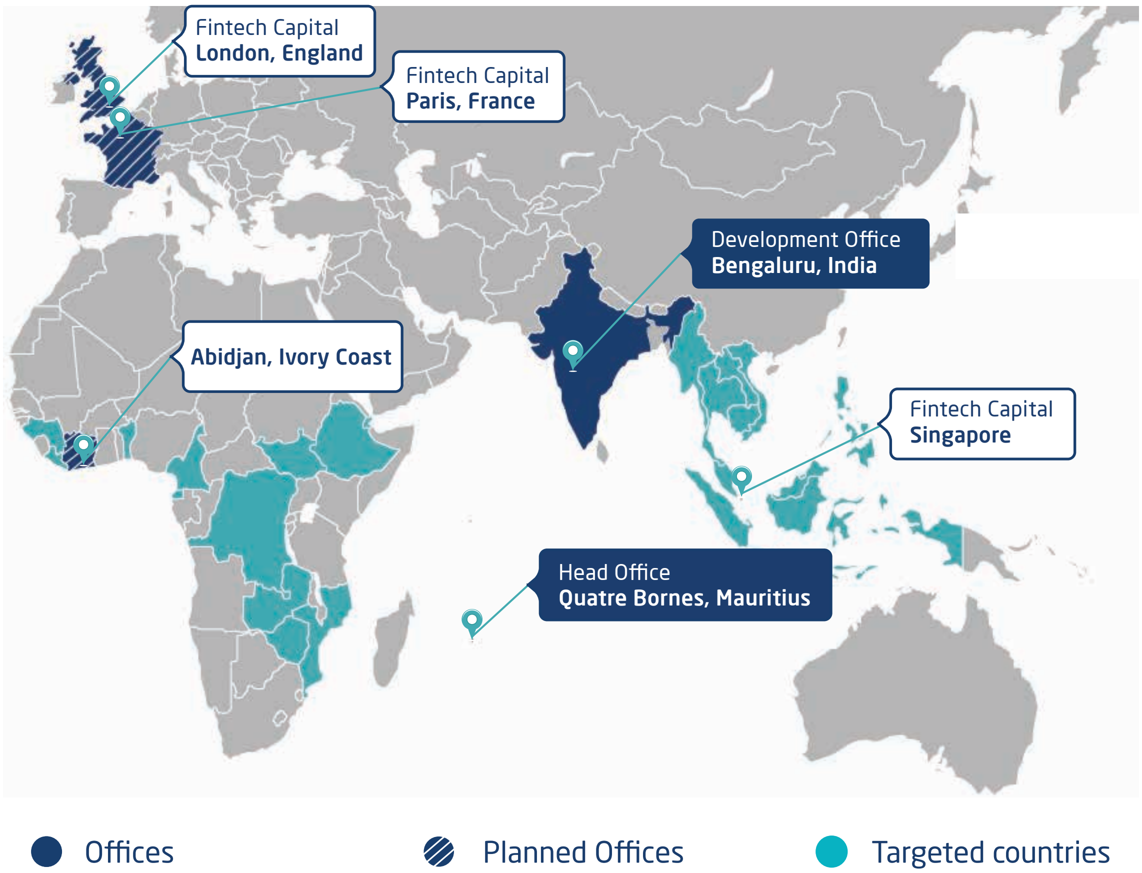
NanoBNK is a bank led model as we believe that instead of competing with the banks, we can together address the financial inclusion challenge. Therefore our business model is unique whereby we take care of the Technology, Onboarding and Engagement of the financially excluded population while the local banking partner assists with regulatory issues, capital provision and marketing.

Moreover, we accompany our Tier 2 and Tier 3 banking partners in managing the global trends affecting them but also in improving their operations internally with the support of our Professional Services team with regards to Digital Transformation, [Customer Journey], Back-office automation [Robotic Process Automation, Machine Learning] and Training at various level of management.

Our objective of operating in 15 African and 10 Asian countries will make NanoBNK the largest digital bank in the world focused on financial inclusion. We operate from our Head office in Mauritius with our development and support office in Bengaluru. We plan an office in Abidjan for our Western African Operations and in one of the Fintech Capitals such as Paris, London, Singapore or Dubai for our R&I team.



[Our Presence]



Mauritius

Mauritius is our Head office where all support services such as Finance, Compliance, Logistics and HR are located. It is also the base of operations for our Implementation, Business Development and L1 & L2 Support teams. As the business grows, we are expecting to geographically decentralise to other parts of Africa and Asia.

Bengaluru, INDIA

Bengaluru, India is our Development centre as well as our L3 support organisation. It provides us with highly talented people but more importantly, allows us to ramp up at short notice with permanent or temporary professionals. It also ensures that our cost structure remains agressive as the supply of specialised skills that we require is scarce in Africa.

Abidjan, Ivory Coast

Abidjan, Ivory Coast is expected to become our first representative office. We are planning this for the next financial year whereby we will be moving part of the team from Mauritius to drive the business development, implementation and support for all Western African countries, with special reference to our NanoAFRI subsidiary.

Fintech Capital

As we are dependent upon emerging technologies which is advancing at a very fast pace, we believe that it will be critical for us to locate our Research & Innovation centres in one of the Fintech Capital of the world: Paris, London, Singapore or Dubai which will allow us to cross-pollinate with other startups and develop a network of experts.

[Our Source of Income]

Input

- Financial Capital
- Human Capital
- Intellectual and Digital Capital
- Relationship and Social Capital
- Technological Capital

	Business Activity	Income/ Expenses Type
Income	Digital Banking Platform	Setup and Integration Fee
Income	Digital Payment Gateway	Revenue Share
Income	Microfinance Applications	Revenue Share
Income	Cross Border Remittance	Revenue Share
Income	Consulting Service & Training	Professional Fees
Expenses	We invest in recruiting, developing and retaining our people in order to deliver to our customers	Employee Costs
Expenses	We invest in operations which consist of business development, Research & Innovation and Geographical expansion	Other Expenses

Risk arising from this activity

- Information Security Risk
- Project Management Failure Risk
- Delivery
- Strategy Failure Risk
- Operational, Financial and Compliance Risk
- Business and Reputational Risk

Income = Expenses =

Net Profit = Retained equity which is reinvested to sustain and grow our business

Our products and service offerings

Platform as a Service

We set up our digital banking platform on premise or on the Cloud, depending upon the regulatory requirements.

Integration is then effected with the core banking platform using Skybridge Integration layer allowing us to cater for IT gaps.

Third party integration with the Central Bank, revenue authority, national payment switch, border control, other banks and billers as well.

Financial Inclusion Applications

Our digital payment gateway is based on the first steps of AI which is Robotic Process Automation. This is done in order to reduce human intervention in the system, allowing the transactions to be cheaper, faster and safer. Moreover, the gateway uses a number of options such as Mobile Banking, QR payments, Bill Aggregation, Digital Wallet and others to ensure that end users are connected seamlessly at the lowest possible costs.

Our Microfinance application consists of three areas; the front end which is customised for the local market, merchants and end users; the back end which is integrated to our core platform and the credit scoring engine with is based on existing credit scoring tools which are automated. Big data scoring in partnership with mobile operators allows for the processing of credit request in a real-time situation.

We use a near-realtime architecture for cross border transfer whereby financial guarantees are provided at regional level with financial partners. Private Permissioned Blockchain is used as a messaging service rather than actual vehicle for the transfer of the funds. This allows us to comply to various regulations in place while at the same time giving us a safe, fast and cheap way of sending instructions.

Consulting & Training

Training on the basics of digital transformation in the banking industry with focus on Omnichannel customer journey.

Training and assistance in the co-creation of the business plan based on revenue sharing and alternative income sources.

Training or Gap analysis with roadmaps on how we can assist the banking partner achieve desired level of back office automation.

[How we do Business]

Assets

People

Having the right people with the required skills is essential for the delivery of our strategy. Empowering our people is a priority of our organisation and it is now paramount as we diversify our geographic and technology markets.

Research & Innovation

While traditional technologies represent a major part of our software development, emerging technologies are priority for the future. This also requires that the team has a thorough understanding of the customers' challenges.

Best Practices

As the company grows in size, investment in systems and processes becomes another priority in order to ensure that the delivery of the increasing number of projects we are engaged in from Southern to Northern Africa and Asia exceeds our Service Level Agreements.

Own IP

We develop our own platform, applications and services as it allows us to meet the need of the financially excluded population in addition to bringing down the cost to income ratio of our banking partners, avoiding them the burden of massive capital outlay in platforms and applications.

Customer

We have managed to sign a regional bank as well as a global bank for our digital banking platform and financial inclusion applications. Our teams continue to gather domain expertise in each markets to better serve our clients and harvest IP.

ABSA operates under the Barclays Bank Mauritius name. KFC operates under the franchisee Eclosia.

Revenue

We generate revenue by providing Platform, Applications, Services and Training straddling both traditional and emerging technologies. While our revenue from Africa and Emerging Technologies are still in its infancy, they remain the 2 areas receiving the most human and financial capital investments.

Rs 22 Mn

Net Profit

In order to sustain and grow our business, we need to ensure that our Net Profit Efficiency attains a minimum of 20%. Our ongoing investments in our assets help in that area in terms of growing revenue, growing gross and net margins through better procurement, overheads monitoring and implementation of best practices.

Rs 5 Mn

Re-Investing

Currently, the company has a no-dividend policy; all the profits are maintained in the company as retained earnings. This policy is critical to ensure that our geographic expansion in Africa and Asia; our investments in Emerging Technologies and Human Capital Development do not constitute a drain on our existing operations.

Rs 5 Mn

[SDGs Mapping]

SDG	Internal Action [incl. CSR]	External Impact
1 NO POVERTY	NanoBNK in partnership with Anglo African continues to support NGOs working with orphans or disadvantaged children around the country. We plan to extend this initiative in the countries where we will have representative offices.	NanoBNK continues to invest in its Digital Banking Platform and Financial Inclusion Applications to reach the unbanked and unserved in Africa and Asia, effectively supporting financial inclusion. This represents the core of our business and is where we will have an important impact.
5 GENDER EQUALITY	Anglo African has adopted and strengthened its recruitment and training policy for the promotion of gender equality and empowerment of women at all levels and consolidated equal pay for equal work.	Our Credit Scoring Engine for microfinance caters for the empowering of women across communities to access finance more effectively. This makes financial inclusion applications more accessible to women.
8 DECENT WORK AND ECONOMIC GROWTH	NanoBNK will, through its local banking partner, promote development-oriented policies that support productive activities, decent job creation, intrapreneurship, creativity and innovation. This will also assist us in remaining closer to the market.	The very business model of NanoBNK aims at fighting financial exclusion, which consists of a number of challenges and we know that this goes a long way to create direct and indirect jobs in the informal sector, especially within the unbanked and the unserved community.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	NanoBNK Skybridge has been developed to enable Tier 2/3 banks to bridge the technology gap between their existing legacy IT infrastructure and the latest emerging and digital technologies. We will continue to assist those banks in upgrading their technological capabilities.	NanoBNK plans to publish part of its Intellectual Property as we believe that the war against Financial Exclusion will require hundreds of startups like us to make significant wins. We are therefore working on licensing our applications to Banks or StartUps where required.
10 REDUCED INEQUALITIES	Our main objective is to find cheaper, faster and safer ways of providing, moving and storing funds. Therefore, in addition to Blockchain, we continue to research other digital alternatives that can help reduce the costs and duration of transactions.	Our Remittance applications will aim to reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent across Africa and Asia. Economies of scale across targeted 25 countries as well as technology choice will be key.
17 PARTNERSHIPS FOR THE GOALS	NanoBNK in partnership with its parent company Anglo African will expand its geographic footprint and contribute to enhance North-South, South-South and regional and international cooperation on access to technology, innovation and knowledge sharing.	Our Remittance business will have the possibility to connect business and enable transactions from Africa to Asia and vice-versa. Moerover, we are also planning to embed basic SmartLC concepts into our cross border remittance applications in the future.

[Our Five Capitals]

Financial Capital

As any typical Fintech startup, we require Financial capital to invest in and grow our activities. However, we believe in responsible capital sourcing and utilisation, which is the main reason as to why NanoBNK has been fully funded by its parent company. In parallel, we also realise that to scale our business globally, we will need to seek alternative sources of funds and investments by strategic partners that will help us enter new markets.

Human Capital

Talented and dedicated employees with specialised skills and in-depth sector expertise is critical to our growth. A simplified and agile organisation with engaged employees and a responsible remuneration has been put in place especially in the Research, Innovation, Development, Support and Business development side of the business. However, we also realise that as a start-up, we are not an employer of choice in this industry.

Intellectual and Digital Capital

To make an impact on the financial inclusion space, we need to reduce cost to income ratios of banking institutions. It is therefore critical that we develop our own platform and applications to ensure that transactions are cheaper, faster and safer but more importantly, to enable us to create value in the medium to long term. The Digital capital is the IP harvested by understanding the market and developing relevant applications.

Relationship and Social Capital

We develop and will continue to develop strong relationships with our stakeholders through continuous stakeholder management, especially at this stage of our growth. We focus on co-creating innovative and cost effective propositions to help clients in their financial activities. In addition, as we operate in a highly regulated environment, accolades are critical for both reputational and capability aspects of the business.

Technological Capital

NanoBNK will rely on revenue share from its platform and it is therefore important that our platform is of high availability and relevant to the financial inclusion agenda on one side and that we have a strong on-boarding and engagement of financially excluded population on the other. Therefore, we believe that the number of connected users on our platform and applications are key.

ate&Collaborate
Digital Machine

Our DNA

2

[Chairman's Message]

Integrated Reporting

As part of the overall policy of the parent company, the board of directors have agreed to engage into Integrated Reporting from the start as the outcome of the Integrated Thinking exercise presented by the management team in our strategy review. In this respect and in line with global best practices and the International Integrated Reporting Council's framework, I am pleased to present the 2018 Integrated Report of Anglo NanoBNK Ltd, which is our first full financial year reporting, since our creation.

Consolidation

NanoBNK's parent company has always focused on reputation and governance and as such, being the sole shareholder of NanoBNK, expected these principles to apply. Therefore, in addition to providing the initial investments and working capital, Anglo African has also included under its umbrella, Corporate Governance and Risk Management of NanoBNK through its different committees. This consolidation will be reviewed as and when NanoBNK reaches a critical size whereby it can finance these functions on its own.

Long-Term Value Creation

While profitability is key in any commercial ventures, the main focus of NanoBNK is long-term value creation. In line with the Integrated Thinking proposed by the management team and adopted by the company, NanoBNK is ensuring that all its investments, technology and business development are adding value to its different capitals such as Financial, Human, Technological, Intellectual & Digital and Relationship & Social, which is presented in this report alongside the innovative UN SDGs mapping.

Year in Review [Performance]

As this is our first full financial year, we are very excited to have achieved a Profit after Tax of MUR 5.1 Mn, with revenue of MUR 21.9 Mn resulting in a PAT Margin of 23% which is very promising. Our other critical financial and non-financial indicators remain in the positive but we are also aware that NanoBNK will face financial challenges as its business model is a long-term one which focuses on revenue generation in the medium-to long-term while the investments in its platform and applications take place in the first few financial years.

Accolades

First, we were interviewed by the London Stock Exchange Group [LSEG] as part of their Elite programme during the Fintech week in March 2018 at the LSEG offices in London. Moreover, we have been nominated as a finalist in the Finance for the Future Awards [UK], sponsored by A4S, ICAEW and Deloitte in the "Innovative Project" category alongside salesforce.com, NHS, Heathrow airport and other global corporations. NanoBNK is also actively participating in a number of initiatives from global

"... a PAT Margin of 23% which is very promising. Our other critical financial and non-financial indicators remain in the positive but we are also aware that NanoBNK will face financial challenges as its business model is a long-term one which focuses on revenue generation in the medium-to long-term...."

"We have completed the full first year of operations which has seen us achieve a positive financial and technological performance..."

Accolades

FINANCE FOR THE FUTURE AWARDS 2018
ICAEW
A4S
Deloitte
FINALIST

A4S

Deloitte.

ICAEW CHARTERED ACCOUNTANTS

London Stock Exchange

institutions in order to raise our profile and credibility globally.

Strategic Orientation

We have completed the full first year of operations which has seen us achieve a positive financial and technological performance. However, as a responsible Board, we are aware that we are at the very beginning of this formidable adventure and Murphy's law is very much applicable in that if anything can go wrong, it will. While, we are monitoring all aspects of the business through our Programme Management Office, we face an ecosystem that comprises of so many moving parts that total oversight and control is limited.

Challenges

The main challenge that we are expecting is the Series A financing that the company will go through during the next financial year. We remain very confident that it will be another successful initiative especially as NanoBNK has already established itself as a serious player with a live platform and applications, sound business model, an exceptional team, integrated thinking at the core and a great sustainable development story! All this has been recognised independently by global institutions but also regional and global banking partners.

Appreciation

I would like to express my appreciation to my fellow directors on the NanoBNK Board for their continued support and wisdom, and the management team for their outstanding efforts and leadership during this initial year of operations. FY2018 has kept all its promises of good news and setbacks as is the case for new startups, especially in the Fintech space. Overall, it has been an exceptional year and I take this opportunity to express my sincere gratitude to all the different stakeholders who have been supporting us in this very challenging endeavour.

Kevin Teeroovengadum
Chairman

21st September 2018

[Board of Directors]

At 30 June 2018, the Board of Directors comprised 2 Independent Directors, 3 Non-Executive Directors and 1 Executive Director, and bring a wide range of experience and skills to the Board. The Board is responsible for providing effective corporate governance. It determines the Company's purpose, strategy and values and ensures that the Company and its controlled entities are properly managed. It monitors and evaluates the implementation of strategies, policies, management performance criteria and business plans.

The role and function of the Chairman, who is an independent director, and of the Chief Executive Officer, are separate. The Chairman presides over meetings of directors and ensures the smooth functioning of the Board. The management of the Group is carried out by the Chief Executive Officer who also develops and recommends to the Board the long-term vision and strategy for the Group, as well as formulates annual business plans and budgets to support the long-term strategy approved by the Board.

TEEROOVENGADUM
Kevin
Chairman & Independent Director

Kevin has over 18 years of experience in Africa in the financial services and real estate sectors. He was a director at leading private equity firm Actis for 6 years focusing on real estate and thereafter was founder CEO of AttAfrica and built the biggest real estate portfolio within 3 years with assets exceeding US$600M specialising in shopping centers. Currently, he serves on numerous boards of companies as independent director in Mauritius and Africa.

LAGESSE
Pascale (Ms.)
Independent Director

Pascale Lagesse is a Partner and Head of the Employment Law practice at Bredin Prat, France. She has over 30 years of experience advising international corporate clients on a wide range of employment-related issues. Pascale is involved in numerous international legal organisations and associations. She is presently a Council Member of the International Bar Association's (IBA) Legal Practice Division and was appointed to the IBA's Management Board in 2018.

HAREL
Jason
Non-Executive Director

Jason Harel is the co-founder and partner of BLC Robert & Associates which is ranked as a top tier business law firm by all leading legal directories. He leads their corporate and M&A practice which includes non-contentious restructuring and taxation. Jason's practice mainly involves mainly the real estate (including construction & hospitality) and financial services sectors (including the banking and global business sector). He is a director of IBL Ltd.

JAMALOODEEN
Ali Mohammad
Executive Director

Ali Jamaloodeen is presently the CEO of Anglo African, with business, technology and project management skills and experience. He has 15 years of project leadership experience, having worked previously as the first Mauritian Turnkey Project Manager of Huawei in Mauritius, upon their local set up, as well as Project Consultant in Australia. Ali joined Anglo African as its first employee in 2007.

Prof. KITTEN
Marc
Non-Executive Director

Marc Kitten is a Visiting Professor in finance at Imperial College London and a founding partner of Candesic, a strategy consultancy focused on technology and healthcare. He has over 15 years of strategy consulting experience at McKinsey and Candesic, with a 10-year career at Deutsche Bank as a vice president in the Global Markets division in Germany.

MANRAKHAN
Sanjeev V.
Non-Executive Director

Sanjeev Manrakhan was appointed Head of Marketing and International Roaming for Mauritius Telecom's Mobile division in 1995. He was part of the consulting team of France Telecom Mexico and joined Gemalto in 2000 as Regional Director for Sub-Saharan Africa looking after various sectors such as telco, banking and ID, before being appointed as Senior Advisor to the President of Huawei SSA in 2008. He founded the Anglo African Group.

Leadership	International	Industry	Financial
Technology	Risk Management	Marketing	

[Corporate Governance]

Board attendance & Directors' Remuneration

	Date of Appointment	Board Meeting	Remuneration from the Company (Rs)
Sanjeev Manrakhan	01/12/2016	2/2	1,015,720
Prof. Marc Kitten	28/08/2017	2/2	50,000
Daniel Neis *	22/01/2018	1/1	-
Liliane L.Y. Li Chiu Lim **	02/02/2018	1/1	25,000
Ali Jamaloodeen	08/05/2018	1/1	109,125
Jason Harel	08/05/2018	1/1	25,000
Kevin Teeroovengadum	29/06/2018	n/a	-
Pascale Lagesse	29/06/2018	n/a	-

** Resigned on 4 May 2018* *** Resigned on 23 May 2018* *n/a : not applicable*

Contracts of Significance

There was no contract of significance subsisting during the year to which the Company or any of its subsidiaries was a party to and on which a director was materially interested either directly or indirectly.

Related Party Transactions

Related party transactions are disclosed in Note 16 to the financial statements.

Auditors Remuneration

The fees payable to the Group external auditors, Kemp Chatteris, for audit services amounted to Rs 106,500 (2017: Rs 20,000). No fees were paid to them for non-audit services.

Donations

No donations were made during the year (2017: nil)

Legal and Shareholding Structure

Anglo NanoBNK Ltd is a private company limited by shares. The share capital of the Company consists of 75,000 ordinary shares of MUR 100 each and are wholly held by Anglo African Investments Ltd.

Dividend Policy and Dividend paid

Currently, the Company has a no-dividend policy.

No dividend were declared for the year ended 30 June 2018 (2017: nil)

Certificate by Company Secretary

Under Section 166(d) of the Companies Act 2001

In our capacity as Company Secretary, we hereby confirm that, to the best of our knowledge and belief, the Company has lodged with the Registrar of Companies, for the year ended 30 June 2018, all such returns as are required for a company under the Companies Act 2001.

Mahendraduth Seechurn
For and on behalf of
Financial Consulting Associates Ltd
Company Secretary

21st September 2018

[Our Key People]

MANRAKHAN Sanjeev
Founder and Brand Ambassador

Sanjeev Is a graduate in Statistics and Economics from UCT with an MBA from EDHEC in Nice. He held various positions at Mauritius Telecom, GemAlto and Huawei in the Sub-Saharan African region and founded Anglo African in 2007. He acts as brand ambassador representing the Group at major events, high level client meetings and fund raising.

VALAYTHEN Jessen
Chief Technology Officer [Ag. CEO]

Jessen is a software development graduate from UTM. He has held various position within the consulting arm of Anglo African until joining NanoBNK as CTO and Acting CEO. As CTO, Jessen oversees the technology roadmap, delivery planning and most important, engagement with clients post contract signature for new requirements.

VAIDYANATHAN Venkatesh
Head of Software Development

Venkatesh is a graduate of the National Institute of Technology in Karnataka . He has held various positions at SAP and Edgeverve, [the Finnacle subsidiary of InfoSys] in Bengaluru until recently where he was the VP of Product Management before joining NanoBNK in charge Software Development, Methodology, Systems and Processes.

ARORA Sarita (Ms.)
Big Data Analytics Consultant

Sarita holds a Masters degree in Mathematics from the IIT, Delhi. She has held various positions in Risk and Analytics for large banks such as Kotak Mahindra, FirstRand, Aditya Birla and World Bank. She is responsible for setting up the analytics practice for digital lending application entire digital journey - Strategy, Solutions architecture and Delivery.

LI CHIU LIM Liliane (Ms.)
Risk and Compliance

Liliane is a graduate of UoM with a BSc [Hons] in Accounting. She is a fellow of the ACCA and a member of ACAMS. She worked at PwC and was Team Leader / FC at SBM Bank (Mauritius) Ltd, one of the largest banks in Eastern Africa, before joining Anglo African as CFO. She overlooks the compliance and processes at NanoBNK.

JAMALOODEEN Ali
Programme Management

Ali is a graduate of Engineering and Project Management from University of Mauritius, RMIT and Melbourne, respectively. He has held various position at Huawei and Anglo African before being recently appointed as CEO. Ali assists the team in the programme management office as well as high level client engagement and negotiations.

KULPOO Roshaan
Head of Business Development

Roshaan attended the Advanced Management Programme at INSEAD. He was the former Cards Operations Manager and thereafter CEO of ICPS which is the Credit card switching arm of the largest bank in Eastern Africa, until he joined the company as Head of Business Development, responsible for the Southern and Eastern African region.

SAWMYNADEN Dessy
Financial Controller

Dessy holds a bachelor's degree in Finance from UoM, and is a member of the ACCA. He has held various positions in the audit field with prestigious companies such as Kemp Chatteris and Deutsche Bank before joining NanoBNK as Financial Controller and also assists the CEO in the revenue sharing business planning.

VEMURI Indrani (Ms.)
Head of Robotic Process Automation / MLE

Indrani holds a IT & Engineering degree from JNTU University of Hyderabad. She has worked for a number of organisations such as Wipro, SAP and TCS until her recent position as Senior Business Analyst in RPA for Barclays Africa, prior to joining NanoBNK as head of Robotic process automation and project lead on Machine Learning.

[Risk Management]

For NanoBNK, risk management involves appropriately balancing out between realising opportunities for gain while minimising adverse impacts.

Each Quarter, the Board reviews the critical risks facing the Group, and validates the risk appetite. The Group is committed to managing risk in a proactive and effective manner to remain sustainable and competitive, improving its operational effectiveness and continually creating value to stakeholders. Day to day risk management falls under the responsibilities of assigned risk owners at each layer of management, and is strengthened through formal risk reviews conducted across all functional areas of the Group.

The name of the game remains resilience and sustainability, and risk management at NanoBNK is a set of holistic activities, analysing impacts on strategy and as well as on our Capitals. Our risk management approach based on active lines of defence, ensures that any changes in risk likelihood and impact are identified, evaluated and managed appropriately, taking into consideration the Group risk appetite. This approach is described hereunder:-

Risk management process

Identify

The risks that are vital to achieving our strategy are identified using a top-down and bottom-up approach analysing business functions, processes and activities that created the risks. The IRM Framework is used to channel the IRM process.

Analyse

Risks are analysed based on their potential impacts on the group profit, and the likelihood of the risk occurring. They are then categorized in the risk register and assigned an owner.

Management and Mitigation

Mitigating actions are assigned to each risk. The relevance of these responses is overseen by the Board. The risk owner is responsible for implementing the actions. Internal audit provides assurance as to the relevance and effectiveness of these mitigating actions.

Monitor & Report

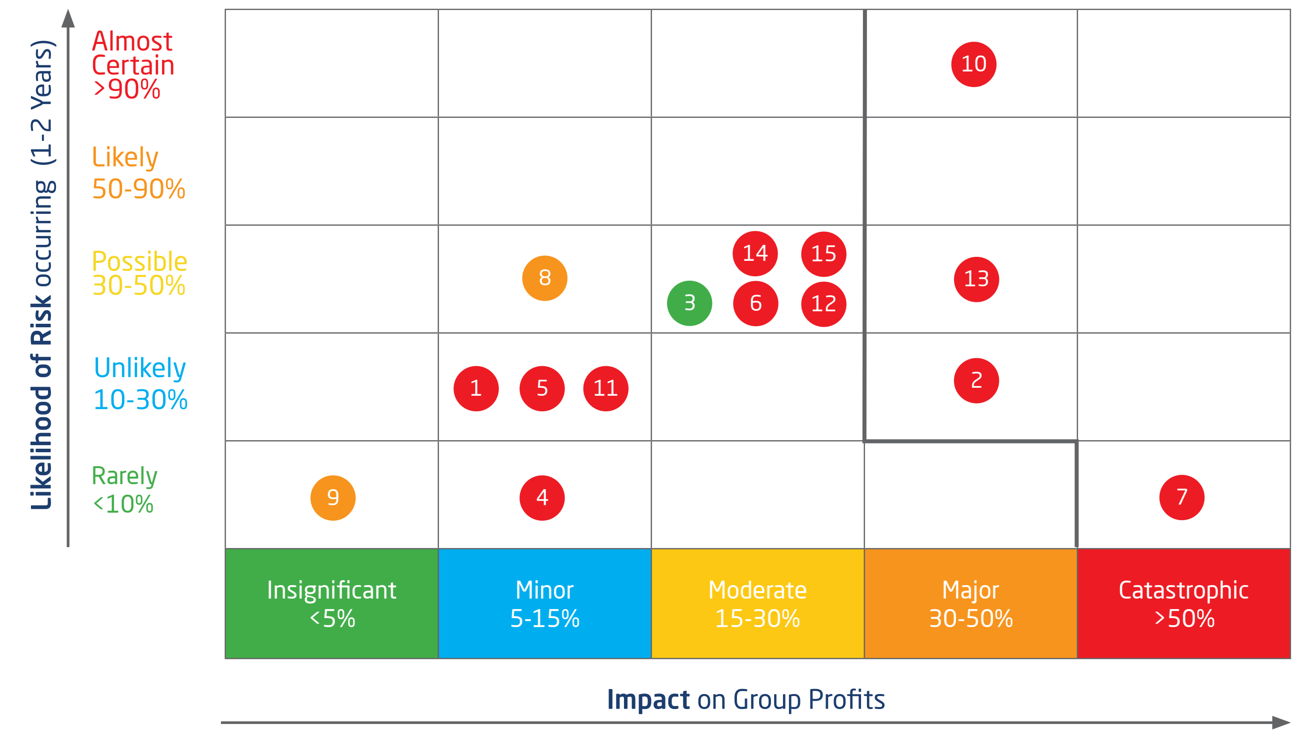
The risks are managed and monitored on an ongoing basis. Quarterly risk updates are provided to the Board.

Risk Likelihood

Event is expected to occur in most circumstances	Almost Certain
Event will probably occur in most circumstances	Likely
Event will possibly occur at some time	Possible
Event may occur at some time but is unlikely	Unlikely
Event may occur only in exceptional circumstances	Rarely

[Heat Map Classification]

The risks in the register and in the Heat Map Classification chart, have been assessed over the short-, medium- and long-term and provide an overview of the assessment of the strategic risks considered from a 1-2 years time horizon. The risks have been depicted utilising their residual rating (assessment of the risk after taking mitigating actions into consideration). The color of the bubbles describes our risk appetite: red being low risk appetite, orange being medium, and green being high risk appetite.



Color of the risk ID defines our risk appetite

- Low risk appetite (red)
- Medium risk appetite (orange)
- High risk appetite (green)

1 Claims by Clients v/s Directors & Officers in overseas operations
2 Kidnap & Ransom
3 Overstretched resources
4 Business Continuity failure
5 Delivering not up to clients expectations
5 Non-compliance to Legal & Contractual laws & regulations in overseas Operations
7 Information Security Risks
8 Foreign Currency risk
9 Interest rate risk
10 Liquidity risk
11 Credit risk
12 Key men risk
13 IP risk
14 Failure to Innovate/ meet customer needs
15 Damage to Reputation/Brand

Financial Capital | Human Capital | Intellectual & Digital Capital | Relationship & Social Capital | Technological Capital

[Risk Register]

Risk ID	Risk	Mitigation	Capital Impacted
1	Claims by Clients v/s Directors & Officers in overseas operations	• Clear contractual escalation process as part of communication management • Dispute mechanism in contracts • Adequate insurance cover in operating countries	
2	Kidnap & Ransom	• Educating employees on safety measures • Favouring agents as introduced by our local partner	
3	Overstretched resources	• Implemented better Project Management process • Strengthened relationships with Partners for staff augmentation in different countries during peak period	
4	Business Continuity failure	• Daily backups of system data, which are replicated regularly off-site • Optimised operational process for employees' ability to work off-site	
5	Delivering not up to client expectations	• Implemented customer feedback on projects as part of ISO 9001 initiative • Overall customer satisfaction survey carried out independently, once yearly	
6	Non-compliance to Legal & Contractual laws & regulations in overseas Operations	• Used specialised local partners in countries where we operate • Optimising business model by using staff augmentation	
7	Information Security Risks	• Adopted overseas strategic partner's best practice • Clear Info Sec policies • Info Sec awareness • Starting ISO27001 in NanoBNK	
8	Foreign Currency risk	• Volatility of forex followed regularly	

Risk ID	Risk	Mitigation	Capital Impacted
9	Interest rate risk	• Controlled.	
10	Liquidity risk	• "Series A" financing initiative started	
11	Credit risk	• Approval of credit facilities by committee	
12	Key men risk	• Succession planning implementation in progress	
13	IP risk	• Protection of our platform's source codes	
14	Failure to Innovate/ meet customer needs	• Constant Market Intelligence • Already launched Product Development team at NanoBNK	
15	Damage to Reputation/Brand	• Open communication line with clients to clarify any doubts • Ensure product testing internally and externally prior to delivery • Adopt ISO27001 in lifecycle development	

Financial Capital · Human Capital · Intellectual & Digital Capital · Relationship & Social Capital · Technological Capital

Colour of the risk ID defines our risk appetite

- Low risk appetite
- Medium risk appetite
- High risk appetite

Our Ecosystem

3

[CEO's Review]

Season One

Over the last two years, it has been a rollercoaster experience at NanoBNK as we faced a series of discoveries progressing through our journey. First of all, we managed to sign a regional bank as well as a global bank which allowed us to get our platform and applications thoroughly tested both in terms of technology but also in terms of methodology, systems and processes. Secondly, these due diligence exercises, while critical for the quality of our delivery, have taken its toll over our operations as the delays that we faced were extensive in some cases. All in all, we have now gathered strong credibility in this highly regulated environment.

As the operations have performed well overall, we have had some exceptional achievements as follows:

- NanoBNK: All the Intellectual Property relating to the platform, applications and services are held by NanoBNK and licensed out to the subsidiaries. We have been able to successfully deliver a live platform and payment application.

- NanoSAIO: We have signed with a major global bank for the launch of RPA/AI services as well as Bill Aggregation and Microfinance applications. The challenge is to implement and launch the services within the next financial year and target other countries within the said banking group.

- NanoAFRI: We have been able to deliver a live platform as well as the Payment Gateway in Cameroon and we are now gearing up to launch the cross border remittance and microfinance applications. In parallel, we are also working on the launch of live operations in other Western African countries.

- NanoASIA: Development within the ASEAN countries will be a priority for next financial year as we have not been able to engage into any business development during the year under review.

Performance FY2018

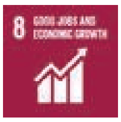
NanoBNK posted a strong profitability, in its first full year of operations, a Profit after Tax of MUR 5.1 Mn, with revenue of MUR 21.9 Mn resulting in a PAT Margin of 23%. However, we fell short of our budget mainly due to the following shortcomings:

- Due diligence of our platform and applications from global banks resulted in delays
- Interactions with Central Banks taking longer than expected
- Lengthy escalation and approval process of legal agreements with banking partners

As we are under a revenue share model, some of these delays are financed by ourselves as well as the change requests. We expect these to continue into the next financial year with greater impact on profitability as the capital outlay is much higher going forward. However, based on our experience

"These due diligence exercises have allowed us to get our platform and applications thoroughly tested both in terms of technology but also in terms of methodology, systems and processes. All in all, we have now gathered strong credibility in this highly regulated environment."

Our Selected Six UN SDGs



in the market we have been operating, we have able to update our proposed legal agreements to ensure that we don't incur financial costs for delays outside our control.

Our Capitals

We continue to ensure that our new developments or investments are properly monitored in terms of its impact on our different capitals. We have decided not to report on Natural and Manufactured Capitals as our operations do not have a material impact on them and vice versa, but have introduced 'Technological Capital' which is more relevant to us as explained in Page 17 of the report.

Our Social Responsibility

In partnership with our parent company, NanoBNK contributes to assist non-governmental organisations working with orphans or disadvantaged children around the country.

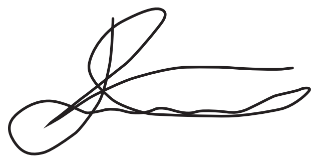
We intend to take this further in applying the same principles in countries where we will be opening representative offices.

Looking Forward

In the upcoming financial year, we are looking forward to all the extraordinary tasks that face us and we remain confident as usual that we will rise up to the challenges, as listed below:

- New representative offices in West Africa and Asia with Business Development and Integration teams
- Fast tracking the current technology roadmap for new market requirements
- New organisational structure to support the new geographies
- Generating profits from our Revenue Share agreements

I would like to acknowledge the continued dedication and hard work of all our people and thank our customers for their support. Finally, I would like to thank the Chairman and members of the Board of Directors for their continued support, guidance and advice.



Jessen Valaythen
Acting CEO

21st September 2018

[Key Performance Indicators]

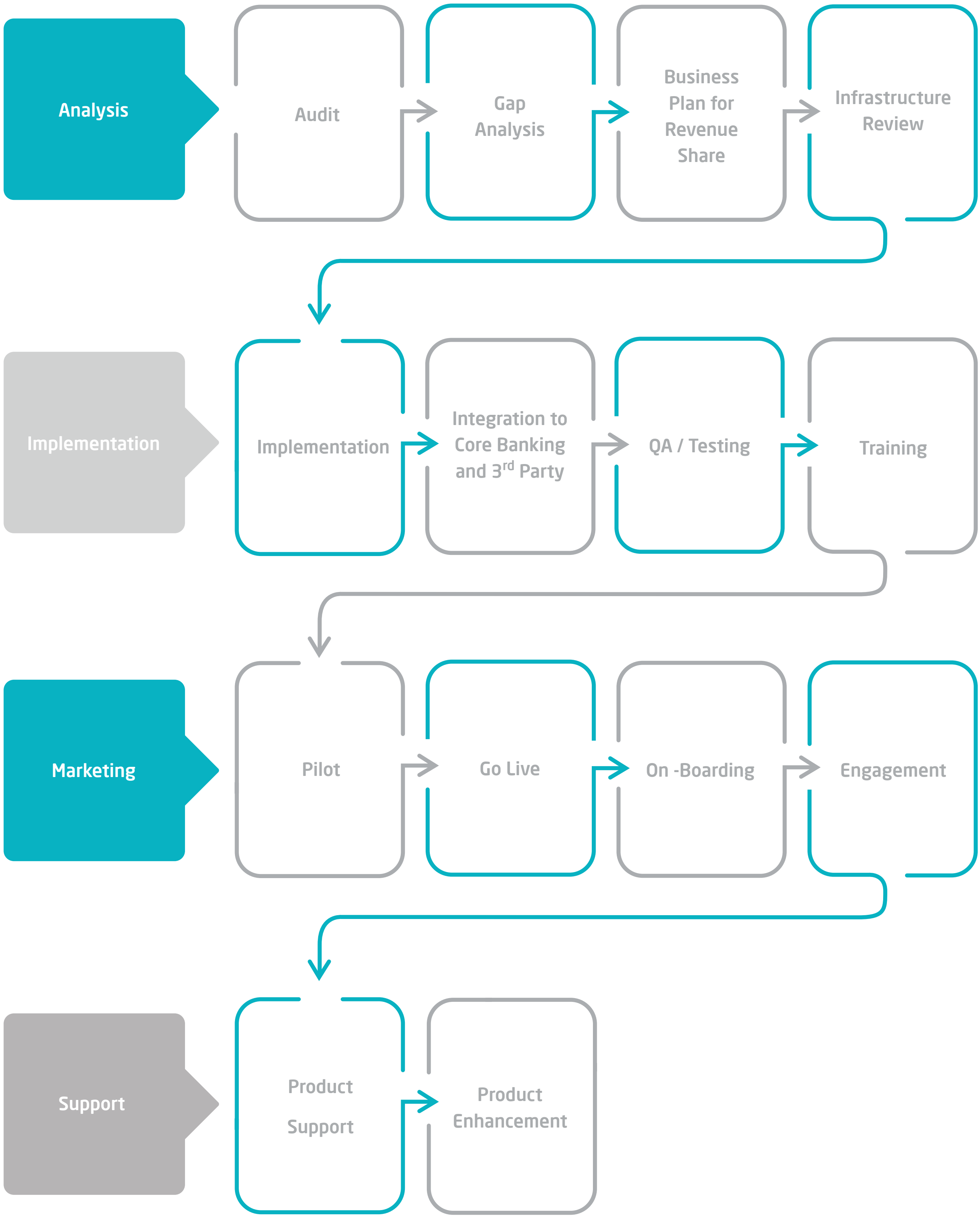
FYE 30.06.18 & FYE 30.06.19

Exceeded | Achieved | Unattained

Capitals	KPIs	2018 Actual	2018 Target	2018 Performance	2019 Target
Financial	Net Profit Margin (%)	23	24	Unattained	11
	Gearing (%)	-	14	Exceeded	23
Human	Employee Engagement (%)	82	75	Exceeded	75
	Gender Diversity (% women)	25	26	Unattained	28
Intellectual & Digital	Revenue from Own IP solutions (%)	100	100	Achieved	100
	Research & Innovation (Rs M)	10	16	Unattained	15
Relationship & Social	Customer Satisfaction (%)	n/a	90	Achieved	90
	Purchase from Business Partners (Rs M)	n/a	n/a	n/a	n/a
Technological	Platform Availability (%)	99	99	Achieved	99
	Number of Connected Users ('000)	6	12	Unattained	12

n/a : not applicable

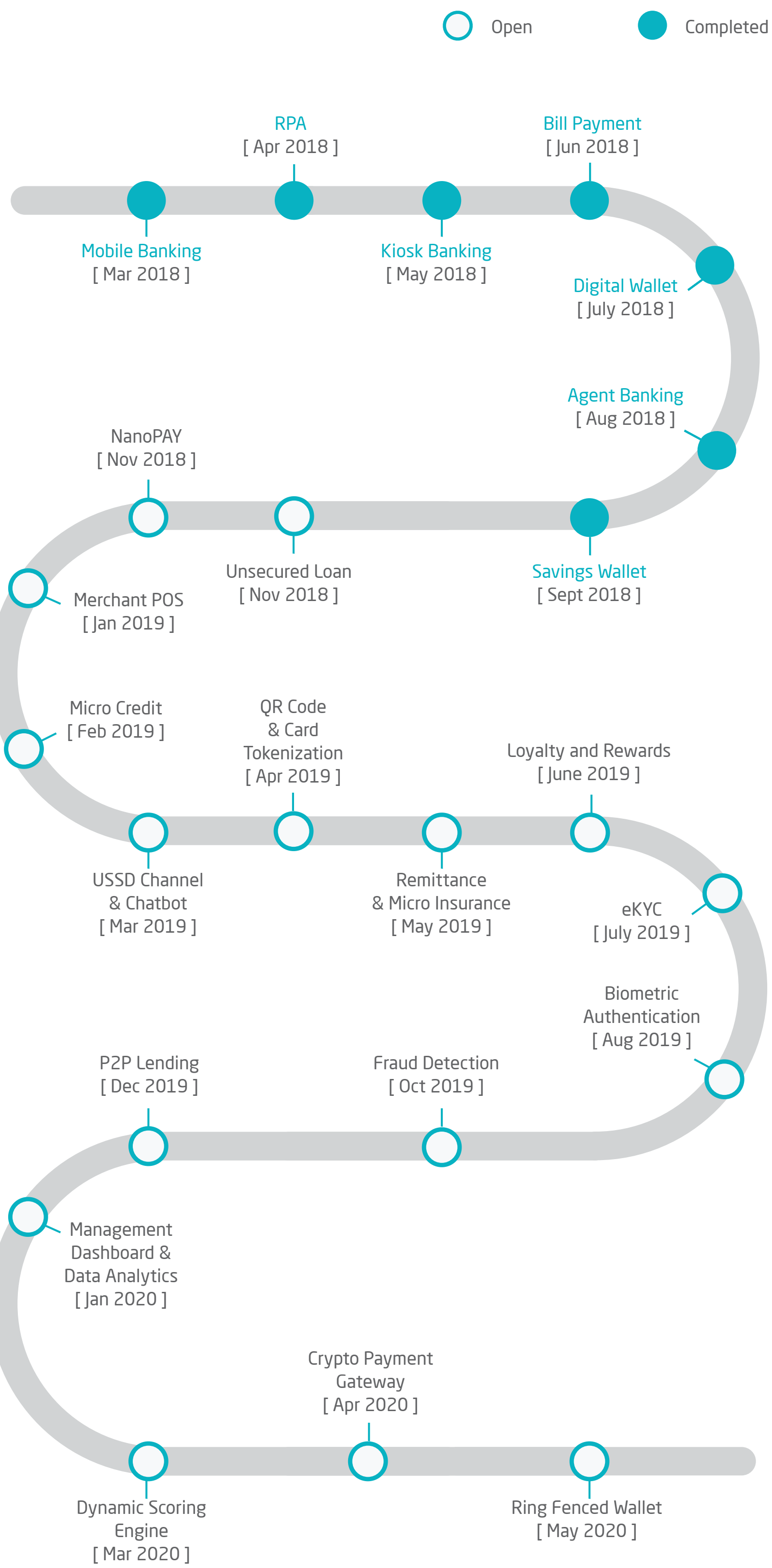
[Engagement Model]



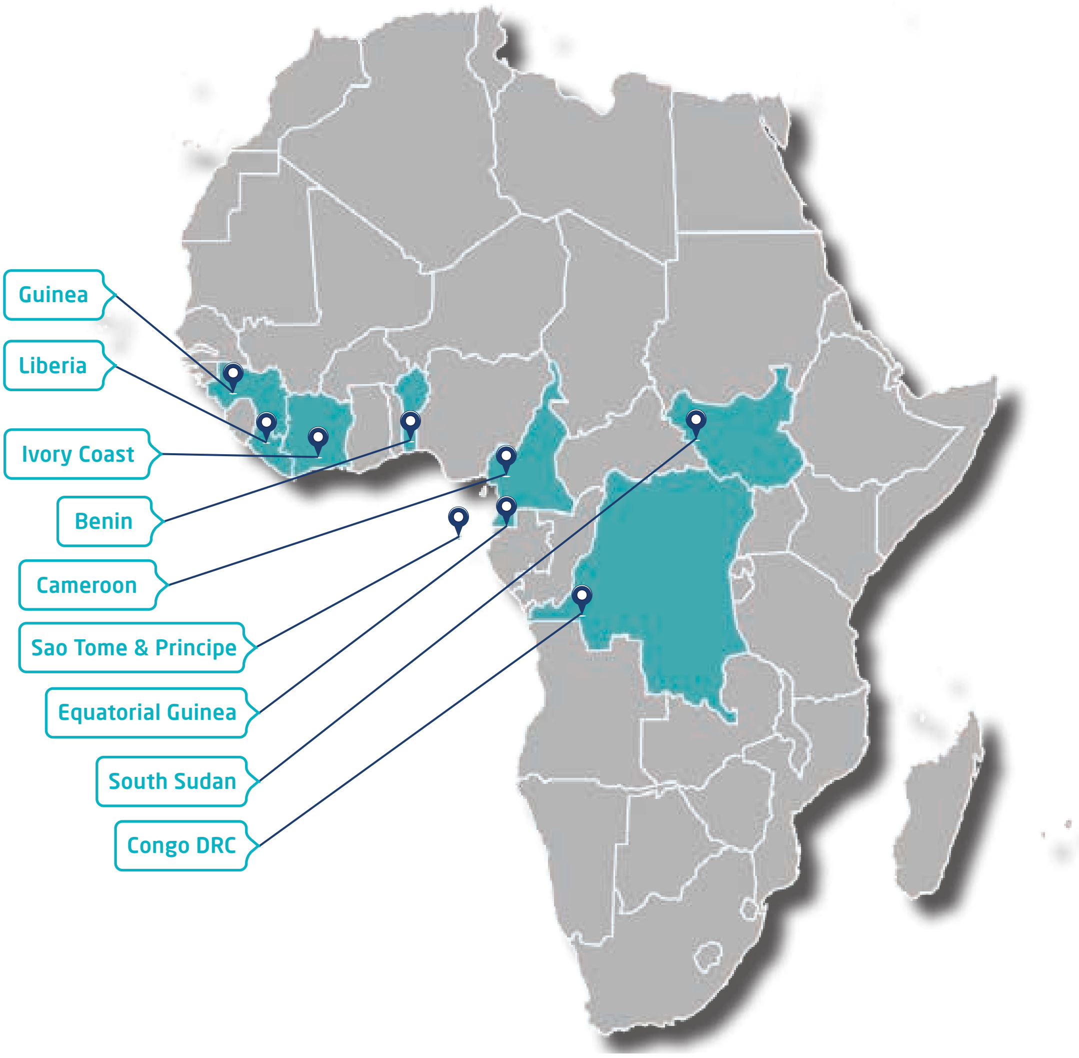
[Roadmap]

Timeline

Africa	Asia
Mauritius	
1	
	FYE 30.06.2018
Cameroon	
Congo DRC	Vietnam
Ivory Coast	Myanmar
Guinea	Cambodia
Eq. Guinea	
Sao Tome	
Liberia	
South Sudan	
Benin	
10	3
Ethiopia	Phillippines
Madagascar	Indonesia
Zambia	
	FYE 30.06.2019
13	5
Zimbabwe	Malaysia
Rwanda	Thailand
	Brunei
	Laos
	Singapore
	FYE 30.06.2020
15	10

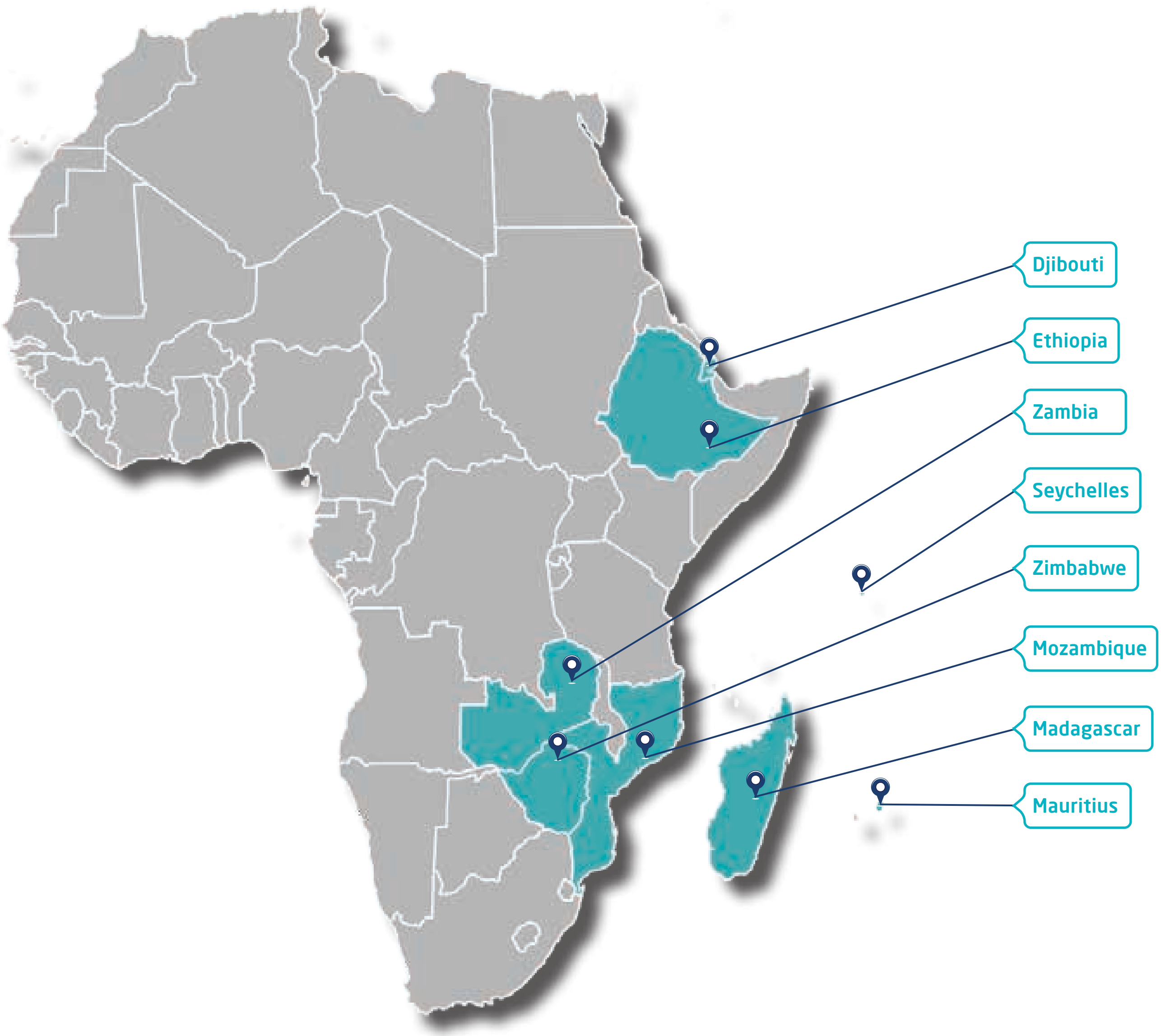


[NanoAFRI] - Targeted Countries



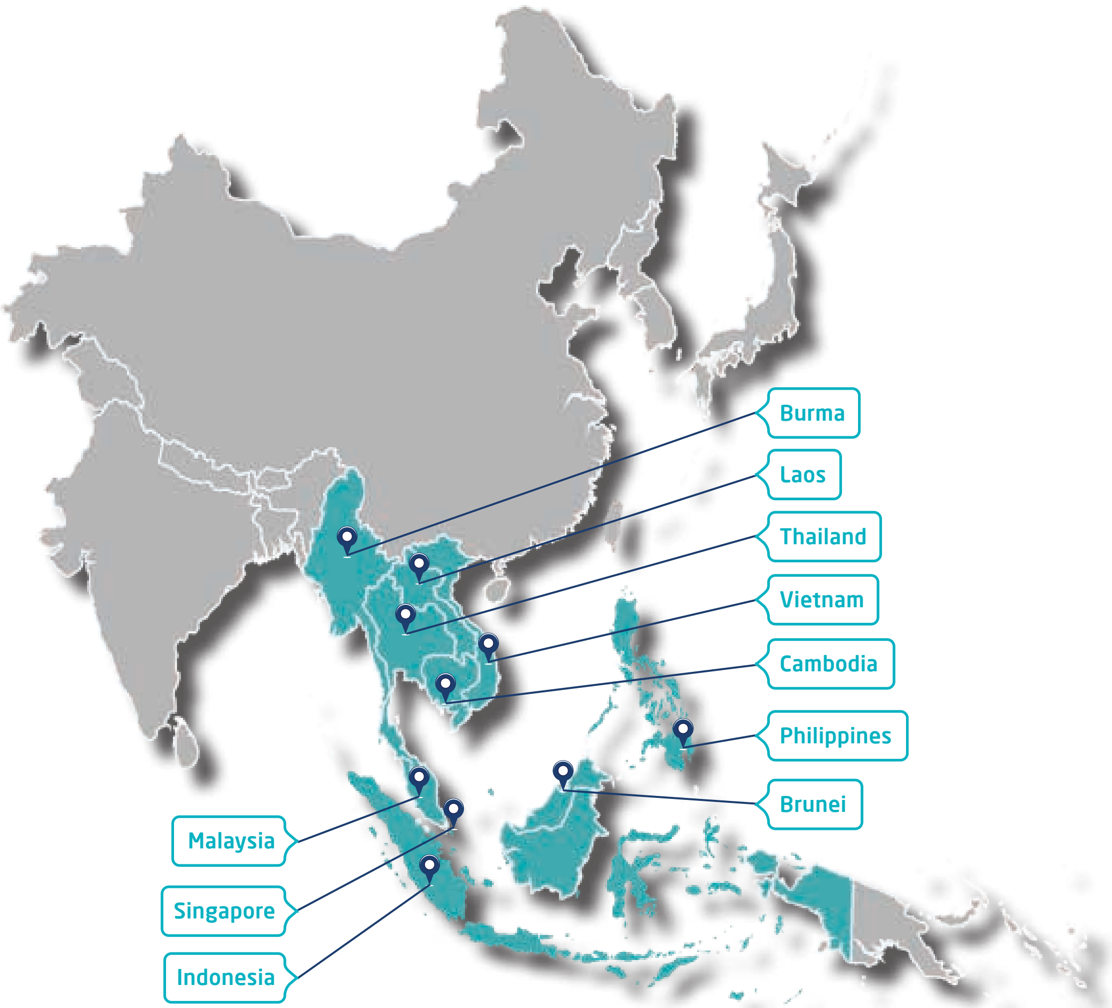
Country	Population Density	GDP	Players [Banks]	Players [MFIs]	Players [Remiitance]
Guinea	13.1	865.25	Tier 1: 5 Tier 2/3: 10	Main: 2 Others: 16	Main: 4 Others: 6
Liberia	4.9	663.03	Tier 1- 3 Tier 2/3- 6	Main: 2 Others: 16	Main: 4 Others: 5
Ivory Coast	24.9	1.79	Tier 1: 3 Tier 2/3: 18	Main: 3 Others: 50	Main: 4 Others: 5
Benin	11.5	923.25	Tier 1- 3 Tier 2/3-12	Main: 3 Others: 93	Main: 3 Others: 6
Cameroon	24.9	34.8	Tier 1: 3 Tier 2/3: 10	Main: 3 Others: 409	Main: 3 Others: 9
Sao Tome & Principe	0.2	2.07	Tier 1: 2 Tier 2/3: 6	Main: 0 Others: 0	Main: 2 Others: 0
Equatorial Guinea	1.31	15.29	Tier 1: 1 Tier 2/3: 2	Main: 2 Others: 2	Main: 2 Others: 4
Congo DRC	84.0	478.32	Tier 1: 5 Tier 2/3: 14	Main: 4 Others: 27	Main: 3 Others: 4
South Sudan	13.0	306.7	Tier 1: 4 Tier 2/3: 17	Main: 3 Others: 9	Main: 1 Others: 3

[NanoSAIO] - Targeted Countries



Country	Population Density [Mn]	GDP [US$ Bn]	Players [Banks]	Players [MFIs]	Players [Remiitance]
Mauritius	1.3	11.01	Tier 1: 2 Tier 2/3: 18	Main: 0 Others: 0	Main: 2 Others: 2
Mozambique	30.5	415.72	Tier 1: 3 Tier 2/3: 15	Main: 4 Others: 28	Main: 2 Others: 4
Zimbabwe	16.1	1.27	Tier 1: 4 Tier 2/3: 7	Main: 2 Others: 192	Main: 3 Others: 4
Zambia	17.6	1.45	Tier 1: 4 Tier 2/3: 11	Main: 3 Others: 11	Main: 3 Others: 5
Djibouti	971.4	3213.97	Tier 1: 3 Tier 2/3: 9	Main: 1 Others: 2	Main: 2 Others: 5
Seychelles	95.2	14.4	Tier 1: 3 Tier 2/3: 9	Main: 1 Others: 0	Main: 2 Others: 3
Ethiopia	107.5	890.57	Tier 1: 3 Tier 2/3: 15	Main: 3 Others: 32	Main: 4 Others: 6
Madagascar	26.3	474.78	Tier 1: 3 Tier 2/3: 7	Main: 2 Others: 23	Main: 3 Others: 4

[NanoASIA] - Targeted Countries



Country	Population Density [Mn]	GDP [US$ Bn]	Players [Banks]	Players [MFIs]	Players [Remiitance]
Brunei	0.4	33.82	Tier 1- 3 Tier 2/3- 6	Main: 3 Others:0	Main: 2 Others:16
Cambodia	16.2	1.49	Tier 1- 3 Tier 2/3- 32	Main: 3 Others: 73	Main: 2 Others:6
Malaysia	32.0	10.7	Tier 1- 4 Tier 2/3 -9	Main: 3 Others: 3	Main: 3 Others: 5
Singapore	5.9	61	Tier 1- 3 Tier 2/3- 19	Main: 2 Others: 5	Main: 3 Others:11
Indonesia	24.9	3.79	Tier 1- 3 Tier 2/3- 12	Main: 2 Others:5	Main: 3 Others:7
Vietnam	0.2	2.55	Tier 1- 4 Tier 2/3- 26	Main: 2 Others: 50	Main: 3 Others:1
Thailand	1.31	7.09	Tier 1- 3 Tier 2/3- 33	Main: 1 Others:1399	Main: 2 Others: 13
Laos	84.0	2.69	Tier 1-4 Tier 2/3-38	Main: 2 Others:123	Main: 2 Others:3
Philippines	13.0	3	Tier 1- 4 Tier 2/3-39	Main: 2 Others: 587	Main: 2 Others:19
Burma [Myanmar]	53.9	1.35	Tier 1- 4 Tier 2/3- 22	Main: 4 Others: 114	Main: 2 Others:1


BRAIN STORM NETWORK
8143
BRAIN DOWNLOAD
608
58768

4

Reporting

Financial Controller's Review

NanoBNK Group

Anglo NanoBNK Ltd was incorporated in December 2016. It is the holding company of NanoSAIO Ltd, NanoAFRI AA Ltd, Anglo NanoTECH Ltd and NanoBNK Private Limited, which altogether form the NanoBNK Group. The Group operates in the Fintech sector providing digital banking as a service to financial institutions as well as Fintech applications and Fintech consulting services.

Results for FY2018

As a startup in the Fintech sector, NanoBNK Group faced multiple challenges in FY2018, the most important ones being that the market demanded reference sites where its platform was successfully deployed, and delayed contract signature with its first clients. Nevertheless, NanoBNK Group generated revenue and gross profit of Rs 21.9Mn and Rs 14.5Mn respectively for FY2018, which was satisfactory, albeit less than its target for the year.

Administrative expenses incurred totaled Rs 9.1Mn for FY2018, of which staff costs amounted to Rs 4.4Mn. Hence NanoBNK Group achieved a profit after tax of Rs 5.1 Mn for FY2018, which was an encouraging result for its first full year of operations.

NanoBNK Group invested Rs 9.7Mn in FY2018 for the development of its platform and applications, of which Rs 1.8 Mn were amortised to the income statement. Shareholder's fund amounted to Rs 11.1Mn as at 30 June 2018.

Contribution of Finance Team

The Finance team of NanoBNK was involved in the preparation of the business plan, including but not limited to the pricing strategy, as well as risk management and financial controls. By providing the project management team with real-time view on the financial status of the project from a CAPEX and OPEX perspective, we have been able to remain within our prescribed budget for software development costs for FY2018. In addition, we are pleased to have been able to contribute in the building of the digital banking platform from a risk, systems and processes angle. As the Group will launch new applications, such as microfinance, remittance, etc, we will continue to be involved to provide our input to the project/ development team.

Looking forward

NanoBNK Group will continue to invest in the enhancement and development of its digital banking platform and Fintech applications to offer a comprehensive solution to Tier 2 and 3 banks with regards to payments, remittances and microfinance. Our model of being a technology partner focuses on providing our clients affordable solutions that meet their specific needs, process automation for increased efficiency and new technologies in order to remain competitive while also being able to serve new markets, mainly the unbanked, which is one of our goals as well. Our objectives for the next financial year is capital raising to fund our expansion.

"...we are pleased to have been able to contribute in the building of the digital banking platform from a risk, systems and processes angle. As the Group will launch new applications, such as microfinance, remittance, etc, we will continue to be involved..."

[Why are we raising funds?]

Within NanoBNK's first year of launch, we have been trusted by local, regional and global banks ... so much so that we have been profitable in our first full year of operations and have received a number for accolades such as the London Stock Exchange recognition, nomination in the Finance for the Future Awards sponsored by ICAEW/Deloitte and A4S. However, our deployment timeline is facing some major challenges and we have described the Top 3 hereunder:

CHALLENGES	OPPORTUNITY	MITIGATION STEPS
Poor state of Banking Technology Infrastructure, [E.g. Test Platform, Technology Stack, Outdated Legacy system, Etc...]	Deriving additional revenue with the implementation of "SkyBridge" which allows upgrading of current infra rapidly and cost effectively.	Creation of a Dedicated Team that is responsible for its deployment.
Lack of relevant and qualified human capital at all level of the value chain, [E.g. Onboarding, Engagement, Marketing...]	Provision of Training and continuous learning in accompanying relevant key people in the achievement of pre-set goals	Creation of special team of Train the Trainers and Trainers in the relevant areas.
New and Urgent Opportunities [E.g. Border Control, Agency Banking, Savings App, Etc ...]	New Financial Inclusion Applications developed from the ground up that can be IP harvested and deployed in other countries.	Additional expert consultants recruited to be able to deliver on this project.

We are therefore being slowed down as we service these challenges which is eating up significant human and financial resources. In order for us to maintain our 2021 objectives, we will need to finance a new structure that takes into account scaling at large.

During the board meeting held in September 2018, it was decided that NanoBNK needs to pursue the opportunities generated by the three challenges defined above while at the same time maintaining our objectives of 25 countries by 2021. In order to finance these, we are opening up the capital for the expected cash-flow shortfall.

Dessy Sawmynaden
Financial Controller

21st September 2018

[Statement of Directors' Responsibilities]

Statement of Directors' Responsibilities in respect of the Financial Statements

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

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

On Behalf of the Board

Sanjeev V. Manrakhan
Director

21st September 2018

Ali M. Jamaloodeen
Director

21st September 2018

[Independent Auditors' Report]

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

In our opinion, the consolidated and separate financial statements on pages 48 to 68 give a true and fair view of the financial position of **Anglo NanoBNK Ltd**, (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001.

What we have audited

The financial statements of **Anglo NanoBNK Ltd** set out on pages 48 to 68 comprise:

- the consolidated and separate statements of financial position as at 30 June 2018;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to consolidated and separate financial statements comprising significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Other Information

The directors are responsible for the other information. The other information comprises of the following: About us, Our DNA, Our Ecosystem, Financial Controller's Review, Statement of Directors' Responsibilities and Additional Information but does not include the consolidated and separate financial statements and our auditors' report.

Our opinion on these consolidated and separate 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 and separate financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

[Independent Auditors' Report (Cont'd)]

Other Information (Cont'd)

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated and Separate Financial Statements

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

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

The directors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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. However, future events or conditions may cause the Group to cease to continue as a going concern.

[Independent Auditors' Report (Cont'd)]

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Cont'd)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

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

- we have no relationship with, or interests in, the Group other than in our capacities as auditors;

- we have obtained all information and explanations that we have required; and

- in our opinion, proper accounting records have been kept by the Group as far as it appears from our examination of those records.

Other matter

This report is made solely to the Group's shareholder in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Group's shareholder, as a body, 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 Group and the Group's shareholder, as a body, for audit work, for this report, or for the opinions we have formed.

Kemp Chatteris

Kemp Chatteris
Chartered Accountants

21st September 2018

Martine Ip Min Wan, FCA
Licenced by FRC

21st September 2018

[Statements of Financial Position]

		The Group		The Company	
	Notes	2018	2017	2018	2017
ASSETS		Rs	Rs	Rs	Rs
Non-current assets					
Plant and equipment	5	**258,722**	-	**142,395**	-
Intangible assets	6	**7,878,331**	-	**7,878,331**	-
Investments in subsidiaries	8	**-**	-	**1,864,573**	187,500
Deferred tax assets	7	**252,075**	185,997	**125,930**	185,997
		8,389,128	185,997	**10,011,229**	373,497
Current assets					
Trade and other receivables	9	**8,191,069**	564,096	**3,760,529**	468,270
Cash and cash equivalents		**3,037,290**	7,228,763	**160,807**	7,228,763
		11,228,359	7,792,859	**3,921,336**	7,697,033
TOTAL ASSETS		**19,617,487**	7,978,856	**13,932,565**	8,070,530
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	10	**7,500,000**	7,500,000	**7,500,000**	7,500,000
Retained earnings/(losses)		**3,935,103**	(1,122,274)	**(801,474)**	(1,061,055)
Translation reserves		**(301,705)**	(700)	**-**	-
TOTAL EQUITY		**11,133,398**	6,377,026	**6,698,526**	6,438,945
Non-current liabilities					
Deferred tax liabilities	7	**1,359**	-	**-**	-
Retirement benefit obligations	11	**1,236,871**	-	**712,723**	-
		1,238,230	-	**712,723**	-
Current liabilities					
Trade and other payables	12	**6,910,886**	1,601,830	**6,521,316**	1,631,585
Current tax liabilities	15	**334,973**	-	**-**	-
		7,245,859	1,601,830	**6,521,316**	1,631,585
TOTAL EQUITY AND LIABILITIES		**19,617,487**	7,978,856	**13,932,565**	8,070,530

Approved and authorised for issue by the Board of Directors on 21 September 2018 and signed on its behalf by:

Sanjeev V. Manrakhan
Director

21st September 2018

A. Jamaloodeen

Ali M. Jamaloodeen
Director

21st September 2018

[Statements of Profit or Loss and Other Comprehensive Income]

	Notes	The Group 2018 Rs	The Group For the period from 1 December 2016 (Date of incorporation) to 30 June 2017 Rs	The Company 2018 Rs	The Company For the period from 1 December 2016 (Date of incorporation) to 30 June 2017 Rs
Revenue		**21,932,270**	-	**10,318,446**	-
Cost of sales		**(7,432,529)**	-	**(2,289,027)**	-
Gross profit		**14,499,741**	-	**8,029,419**	-
Administrative and other expenses	13	**(9,063,098)**	(1,307,567)	**(7,633,943)**	(1,246,348)
Net foreign exchange losses		**(84,435)**	(702)	**(51,327)**	(702)
Finance costs	14	**(24,577)**	(2)	**(24,501)**	(2)
Net profit/(loss) before taxation for the year/period		**5,327,631**	(1,308,271)	**319,648**	(1,247,052)
Taxation	15(b)	**(270,254)**	185,997	**(60,067)**	185,997
NET PROFIT/(LOSS) FOR THE YEAR/PERIOD		**5,057,377**	(1,122,274)	**259,581**	(1,061,055)
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		**(301,005)**	(700)	**-**	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD		**4,756,372**	(1,122,974)	**259,581**	(1,061,055)
Profit/(loss) for the year/period attributable to:					
Owner of the Company		**5,057,377**	(1,122,274)	**259,581**	(1,061,055)
Non-controlling interests		**-**	-	**-**	-
		5,057,377	(1,122,274)	**259,581**	(1,061,055)
Total comprehensive income/(loss) attributable to:					
Owner of the Company		**4,756,372**	(1,122,974)	**259,581**	(1,061,055)
Non-controlling interests		**-**	-	**-**	-
		4,756,372	(1,122,974)	**259,581**	(1,061,055)

The notes on pages 52 to 68 form an integral part of these financial statements.
Auditors' report on pages 45 to 47.

Statements of Changes in Equity

	Stated Capital Rs	Retained Earnings Rs	Translation Reserves Rs	Total Equity Rs
The Group				
At 1 December 2016	-	-	-	-
Issue of shares	7,500,000	-	-	7,500,000
Net loss for the period	-	(1,122,274)	-	(1,122,274)
Other comprehensive loss for the period	-	-	(700)	(700)
Total comprehensive loss for the period	-	(1,122,274)	(700)	(1,122,974)
At 30 June 2017	**7,500,000**	**(1,122,274)**	**(700)**	**6,377,026**
At 1 July 2017	7,500,000	(1,122,274)	(700)	6,377,026
Net profit for the year	-	5,057,377	-	5,057,377
Other comprehensive loss for the year	-	-	(301,005)	(301,005)
Total comprehensive income/(loss) for the year	-	5,057,377	(301,005)	4,756,372
At 30 June 2018	**7,500,000**	**3,935,103**	**(301,705)**	**11,133,398**

	Stated Capital Rs	Accumulated Losses Rs	Total Equity Rs
The Company			
At 1 December 2016	-	-	-
Issue of shares	7,500,000	-	7,500,000
Net loss for the period	-	(1,061,055)	(1,061,055)
Total comprehensive income for the period	-	(1,061,055)	(1,061,055)
At 30 June 2017	**7,500,000**	**(1,061,055)**	**6,438,945**
At 1 July 2017	7,500,000	(1,061,055)	6,438,945
Net profit for the year	-	259,581	259,581
Total comprehensive income for the year	-	259,581	259,581
At 30 June 2018	**7,500,000**	**(801,474)**	**6,698,526**

The notes on pages 52 to 68 form an integral part of these financial statements.
Auditors' report on pages 45 to 47.

[Statements of Cash Flows]

		The Group		The Company	
		2018	01 Dec 2016 to 30 June 2017	2018	01 Dec 2016 to 30 June 2017
	Notes	Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(losses) before tax for the year/period		5,327,631	(1,308,271)	319,648	(1,247,052)
Adjustments for:					
Depreciation	5	83,527	-	64,410	-
Amortisation	6	1,789,027	-	1,789,027	-
Interest expense	14	24,577	2	24,501	2
Movement in retirement benefit obligation	11	1,236,871	-	712,723	-
Exchange differences		(301,005)	(700)	-	-
Impairment of trade receivables		19,160	-	19,160	-
Profit on disposal of plant and equipment		10,162	-	10,162	-
		8,189,950	(1,308,969)	2,939,631	(1,247,050)
Changes in working capital:					
Movement in trade and other receivables		(7,646,133)	(564,096)	(3,311,418)	(468,270)
Movement in trade and other payables		5,309,056	1,601,830	4,889,730	1,631,585
Cash generated from/(used in) operating activities		5,852,873	(271,235)	4,517,943	(83,735)
Interest paid	14	(24,577)	(2)	(24,501)	(2)
Net cash generated from/(used in) operating activities		5,828,296	(271,237)	4,493,442	(83,737)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of plant and equipment	5	(436,800)	-	(301,356)	-
Purchase of intangible assets	6	(9,667,358)	-	(9,667,358)	-
Investment in subsidiaries		-	-	(1,677,073)	(187,500)
Proceeds from disposal of equipment and software		84,389	-	84,389	-
Net cash used in investing activities		(10,019,769)	-	(11,561,398)	(187,500)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of shares		-	7,500,000	-	7,500,000
Net cash generated from financing activities		-	7,500,000	-	7,500,000
Net movement in cash and cash equivalents		(4,191,473)	7,228,763	(7,067,956)	7,228,763
Cash and cash equivalents at start of period		7,228,763	-	7,228,763	-
Cash and cash equivalents at 30 June		3,037,290	7,228,763	160,807	7,228,763

The notes on pages 52 to 68 form an integral part of these financial statements.
Auditors' report on pages 45 to 47.

Notes to the Financial Statements

1. GENERAL INFORMATION

Anglo NanoBNK Ltd, (the "Company"), was incorporated in the Republic of Mauritius on 1 December 2016 as a private company limited by shares. Its main activity is that of providing multichannel digital banking and payment software to financial institutions. The Company's registered office is at Royal Road, Coromandel, Mauritius.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for accounting years beginning on 1 July 2017.

2.1 New and revised IFRSs applied with no material effect on financial statements

The following relevant new and revised IFRSs have been applied in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported and/or disclosed for the current year but may affect the accounting for future transactions or arrangements.

- IAS 7 Statement of Cash Flows - Amendments as a result of the disclosure initiative
- IAS 12 Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses
- IFRS 12 Disclosure of Interests in Other Entities - Amendments resulting from Annual Improvements 2014-2016 Cycle (clarifying scope)

2.2 New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the following IFRSs were in issue but effective on annual periods beginning on or after the respective dates as indicated:

- IAS 12 Income Taxes - Amendments resulting from Annual Improvements 2015-2017 Cycle (income tax consequences of dividends) (effective 1 January 2019)
- IAS 19 Employee Benefits - Amendments regarding plan amendments, curtailments or settlements (effective 1 January 2019)
- IAS 23 Borrowing Costs - Amendments resulting from Annual Improvements 2015-2017 Cycle (borrowing costs eligible for capitalization) (effective 1 January 2019)
- IAS 28 Investments in Associates and Joint Ventures - Amendments resulting from Annual Improvements 2014 - 2016 Cycle (clarifying certain fair value measurements) (effective 1 January 2018)
- IAS 28 Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures (effective 1 January 2019)
- IFRS 4 Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9 (effective 1 January 2018)
- IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)
- IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective 1 January 2019)
- IFRS 11 Joint Arrangements - Amendments resulting from Annual Improvements 2015-2017 Cycle (remeasurement of previously held interest) (effective 1 January 2019)
- IFRS 15 Revenue from Contracts with Customers - Original issue (effective 1 January 2018)
- IFRS 16 Leases - Original issue (effective 1 January 2019

The directors anticipate that these IFRS will be applied on their effective dates in future years. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

[Notes to the Financial Statements]

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") and under the historical cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(b) Basis of consolidation

The consolidated financial statements include the Company and its subsidiaries.

The Company controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns. The Company reassesses whether or not it still control the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial instruments: Recognition and Measurement or, when applicable, the cost on initital recognition of an investment in an associate or jointly controlled entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

(c) Business consolidation

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the profit or loss as incurred.

Where applicable, the consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Business consolidation (cont'd)

The Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

(d) Investment in subsidiaries

In the Company's financial statements, investment in subsidiaries is measured at cost less impairment. Where there has been a permanent diminution in the value of an investment, it is recognised as an expense in the year in which the diminution is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(e) Foreign currencies

(i) Functional and presentation currencies

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates ("the functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees ('Rs'), which is the functional and presentation currency for the Company and for the consolidated financial statements.

(ii) Transactions and balances

In the financial statements of the individual entities, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities outstanding at end of reporting year are recognised in the statement of profit or loss and other comprehensive income. Monetary assets and liabilities expressed in foreign currencies at the end of the reporting year are translated into Mauritian Rupees ('Rs') at the closing rate prevailing at that date.

(iii) Group companies

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are transalated into Mauritian rupees ('Rs') using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The exchange differences arising from translation of the foreign operations are recognised in other comprehensive income and accumulated in equity (translation reserve), and attributed to non-controlling interests as appropriate.

On disposal of the Group's interest in a foreign operation, the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group or the Company and the revenue can be reliably measured.

On sale of goods and rendering of services, revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is net of valued added tax, discounts and excludes inter-company charges and dividends.

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

Interest income on financial instruments is recognised as it accrues using the effective interest method while interest income on cash at bank is recognised when the interest is actually credited to the bank accounts.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts, including fees that form an integral

[Notes to the Financial Statements]

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Revenue recognition (Cont'd)

part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial assets.

(g) Expenses

Expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

(h) Finance costs

Finance costs comprise of interest expenses on finance lease, bank overdraft and advances from related parties. Interest expenses are recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

(i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year and calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred tax for the year

Current and deferred taxes are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

(j) Financial instruments

(i) Non-derivative financial asset

The Group classifies non-derivative financial assets into the following categories: "loans and receivables", "held-to-maturity investments" or "available-for-sale financial assets" ("AFS"), as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Financial instruments (Cont'd)

(i) Non-derivative financial asset (Cont'd)
Loans and receivables
Trade and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified in the loans and receivables category. Such assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any provision for impairment loss except for short term receivables when the recognition of interest would be immaterial.

A provision for impairment loss is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount. The receivables are written off when they are identified as irrecoverable.

(ii) Non-derivative financial liabilities
The Group initially recognises liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the amortised costs category. Such financial liabilities, which include trade and other payables, are recognised initially at fair value less any attributable transaction costs. Subsequently to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method, except for short term payables.

(k) Plant and equipment

(i) Recognition and measurement
Items of plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised in the statement of profit or loss and other comprehensive income.

(ii) Subsequent costs
The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

(iii) Depreciation
Depreciation is recognised on a straight-line method to write off the cost of assets to their estimated residual values over their estimated useful life. Leased assets are depreciated over the shorter of the lease term and their expected useful lives on the same terms as owned assets.

The estimated useful lives for the current and comparative periods are as follows:

Computer equipment	2 to 5 years
Plant and machinery	2 to 5 years
Furniture and fittings	2 to 10 years

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

(l) Intangible assets
Intangible assets consisting of acquired software are carried at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful life of 3 years.

(m) Cash and cash equivalents
Cash comprises of cash at bank and in hand and deposits with an original maturity of three months or less. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purpose of the statement of cash flows, bank overdraft is considered as part of cash and cash equivalents.

[Notes to the Financial Statements]

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Impairment of non-financial assets

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount which should not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(o) Retirement benefit obligations

(i) Other retirement benefits

Retirement benefits as provided under the Employment Rights Act 2008 is recognised in the statement of financial position as a non-current liability and is not funded.

(ii) State pension plan

Contributions to the National Pension Scheme are expensed to the statement of profit or loss and other comprehensive income in the period in which they fall due.

(p) Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at the end of the reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditure required to settle the obligation.

(q) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(r) Related parties

Related parties include individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

(s) Dividend

Dividend on ordinary shares are recognised in equity in the period in which they are authorised by the directors. Dividends that are declared after the reporting date are dealt with in the notes to the financial statements.

(t) Comparative figures

Comparative figures have been regrouped and/or restated where necessary to conform with the current year's presentation.

Notes to the Financial Statements

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements.

Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Impairment of assets
Impairment of assets requires significant judgement and assumptions as this exercise involves the determination of recoverable amount of asset values. In making the judgement and assumptions, the directors consider and evaluate, among other factors changes in technology, industry and sector economic indicators.

Useful lives of plant and equipment
When determining the carrying amounts of plant and equipment, management is required to estimate the useful lives and residual values of these assets. Estimates of useful lives and residual values carry a degree of uncertainty due to technical changes. The directors have used current information relating to the expected use of the assets.

Impairment of trade receivables
Management reviews the debtors portfolio on a regular basis and make provisions for impairment losses based on its estimates on the recoverable amounts of each debt, considering several factors such as the ageing of the receivables, an evaluation of the customer's financial conditions, information about the potential inability of a customer to meet its financial obligations or the customer being placed under administration or receivership.

Deferred tax assets
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised based on the likely timing and level of future taxable profits.

Inventory provisions
Inventory provisions are made to write down inventories to net realisable value based on management's estimate of the realisability of inventories, considering factors such as estimates of future demand, changes in market prices, obsolescence. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates.

Limitations of sensitivity analysis
Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors.

[Notes to the Financial Statements]

5. PLANT AND EQUIPMENT

	The Group	The Company
	Computer equipment	Computer equipment
	Rs	Rs
COST		
At 1 December 2016 and 1 July 2017	-	-
Additions	436,800	301,356
Disposals	(103,147)	(103,147)
At 30 June 2018	**333,653**	**198,209**
DEPRECIATION		
At 1 December 2016 and 1 July 2017	-	-
Charge for the year	83,527	64,410
Disposals	(8,596)	(8,596)
At 30 June 2018	**74,931**	**55,814**
NET BOOK VALUE		
At 30 June 2018	**258,722**	**142,395**
At 30 June 2017	-	-

The Group has pledged its movable and immovable assets to secure general banking facilities granted by the bank.

6. INTANGIBLE ASSETS

	The Group and The Company
	Software Development Costs
	Rs
COST	
At December 2016 and 1 July 2017	-
Additions	9,667,358
At 30 June 2018	**9,667,358**
AMORTISATION	
At December 2016 and 1 July 2017	-
Charge for the year	1,789,027
At 30 June 2018	**1,789,027**
NET BOOK VALUE	
At 30 June 2018	**7,878,331**
At 30 June 2017	-

[Notes to the Financial Statements]

7. DEFERRED TAX

Deferred taxes are calculated on all temporary differences on the liability method at 15% (2017:15%). The following amounts are shown in the statement of financial position:

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Deferred tax assets	**252,075**	185,997	**125,930**	185,997
Deferred tax liabilities	**(1,359)**	-	**-**	-
	250,716	185,997	**125,930**	185,997
Movement on the deferred tax account:				
At start of year/period	**185,997**	-	**185,997**	-
Charge for the year/period	**64,719**	185,997	**(60,067)**	185,997
At end of year/period	**250,716**	185,997	**125,930**	185,997
Analysed as follows:				
- Accelerated capital allowances	**(422,377)**	-	**(423,890)**	-
- Retirement benefit obligations	**185,530**	-	**106,908**	-
- Unrealised foreign exchange gain	**14,315**	-	**-**	-
- Other provisions	**30,336**	-	**-**	-
- Tax losses	**442,912**	185,997	**442,912**	185,997
	250,716	185,997	**125,930**	185,997

8. INVESTMENTS IN SUBSIDIARIES

Details of subsidiaries included in the consolidated financial statements are as follows:

	The Company	
	2018 Rs	2017 Rs
At start of year/period	**187,500**	-
Additions	**1,677,073**	187,500
At end of year/period	**1,864,573**	187,500

	Class of shares held	Country of Incorporation and operation	**2018**	2017	2017 & 2018
			Stated Capital	Stated Capital	Effective Holding (%)
NanoSAIO Ltd	Ordinary	Mauritius	**600**	100	100
NanoAFRI AA Ltd	Ordinary	Mauritius	**88**	88	100
NanoBNK Private Limited [1]	Ordinary	India	**2000**	N/A	100
Anglo NanoTECH Ltd [1]	Ordinary	Mauritius	**100**	N/A	100

[1] *NanoBNK Private Limited was incorporated on 09 October 2017 while Anglo NanoTECH Ltd was incorporated on 22 May 2018.*
N/A : not applicable

[Notes to the Financial Statements]

9. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2018	2017	2018	2017
	Rs	Rs	Rs	Rs
Trade receivables	6,965,092	-	-	-
Allowance for doubtful debts	(19,160)	-	-	-
	6,945,932	-	-	-
Other receivables and prepayments	1,245,137	564,096	207,121	376,969
Amounts due from related parties	-	-	3,553,408	91,301
	8,191,069	564,096	3,760,529	468,270

The average credit period on sales is 2 months. No interest is charged on trade receivables. The carrying amounts of trade and other receivables approximate their fair value and represent the Group's and Company's maximum exposure to credit risk. No collateral security is held on those receivables.

Amounts due from related parties is interest free, unsecured and are repayable on demand.

	The Group	
	2018	2017
	Rs	Rs
Ageing of past due but not impaired trade receivables		
Up to 60 days	1,086,750	-
61 to 120 days	174,250	-
	1,261,000	-
Movement in the allowance for doubtful debts		
At 1 July	-	-
Provision for the year	19,160	-
At 30 June	19,160	-

Management considered the change in credit quality of the trade receivables from the date the credit was granted to the reporting date to determine the allowance for doubtful debts.

[Notes to the Financial Statements]

10. STATED CAPITAL

	The Group and The Company	
	2018 Rs	2017 Rs
Issued and fully paid		
75,000 Ordinary shares	**7,500,000**	7,500,000

11. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations comprise mainly of benefits payable under the Employment Rights Act 2008, which provides for a lump sum to be payable at retirement based on final salary and years of service.

The movement in liability recognised in the statement of financial position is as follows:

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
At start of the year/period	-	-	-	-
Provision for the year/period	**1,236,871**	-	**712,723**	-
At 30 June	**1,236,871**	-	**712,723**	-

12. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Trade payables	**526,110**	20,000	**526,110**	20,000
Other payables	**3,459,886**	-	**2,159,061**	-
Amount due to related parties	**2,924,890**	1,581,830	**3,836,145**	1,611,586
	6,910,886	1,601,830	**6,521,316**	1,631,586

The carrying amounts of trade and other payables approximate their fair values.
The amount due to related party is unsecured, interest free and repayable within 6 months.

13. ADMINISTRATIVE AND OTHER EXPENSES

	The Group		The Company	
	2018 Rs	01 Dec 2016 to 30 June 2017 Rs	2018 Rs	01 Dec 2016 to 30 June 2017 Rs
Depreciation	**83,527**	-	**64,410**	-
Staff costs	**4,437,916**	327,387	**3,686,434**	327,387
Others	**4,541,655**	980,180	**3,883,099**	918,961
	9,063,098	1,307,567	**7,633,943**	1,246,348

[Notes to the Financial Statements]

14. FINANCE COSTS

	The Group		The Company	
	2018 Rs	01 Dec 2016 to 30 June 2017 Rs	2018 Rs	01 Dec 2016 to 30 June 2017 Rs
Interest on bank overdraft	**161**	2	**85**	2
Interest on loan	**24,416**	-	**24,416**	-
	24,577	2	**24,501**	2

15. CURRENT TAX LIABILITIES

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
(a) Statement of financial position				
At start of year/period	-	-	-	-
Income tax provision for the year	**334,973**	-	-	-
At end of year/period	**334,973**	-	-	-

	The Group		The Company	
	2018 Rs	01 Dec 2016 to 30 June 2017 Rs	2018 Rs	01 Dec 2016 to 30 June 2017 Rs
(b) Statement of profit or loss				
Income tax provision for the year/period	**314,612**	-	-	-
Corporate social responsibility contribution	**20,361**	-	-	-
Deferred tax (note 7)	**(64,719)**	(185,997)	**60,067**	(185,997)
	270,254	(185,997)	**60,067**	(185,997)
(c) Reconciliation between tax on accounting profit and income tax expense:				
Profit/(loss) before tax	**5,327,631**	(1,308,271)	**319,648**	(1,247,052)
Tax at the rate of 15%	**799,145**	(196,241)	**47,947**	(187,058)
Effect of different tax rates	**(37,780)**	-	-	-
Foreign tax credit	**(514,857)**	-	-	-
Corporate social responsibility contribution	**20,361**	-	-	-
Expenses not deductible for tax purpose	**3,385**	10,244	**12,120**	1,061
Income tax expense	**270,254**	(185,997)	**60,067**	(185,997)

The tax rate is 15% (2017: 15%) for domestic companies in Mauritius while the effective rate for companies holding a Global Business Licence 1 is 3% (2017: 3%) after deducting foreign tax credit.

[Notes to the Financial Statements]

16. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group and other related parties and outstanding balances due from/to related parties are disclosed below:

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Amounts receivable from subsidiaries	-	-	3,553,408	91,301
Investments in subsidiaries	-	-	1,864,573	187,500
Amounts due to related companies	2,924,890	1,581,830	3,836,145	1,611,586
Remuneration of directors and key management personnel	2,465,245	-	2,465,245	-

Outstanding balances at year end are unsecured and repayable within 6 months. In the Company, amounts due from related parties bear interest at the rate of 2.3% per annum.

17. CAPITAL COMMITMENTS

At 30 June 2018, the Group had no capital commitment (2017: Nil).

18. FINANCIAL RISK MANAGEMENT

18.1 Overview

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Group's activities expose it to a variety of financial risks relating to its operations. The Group's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Group. The Group is exposed to the following risks:

- Credit risk
- Market risk (which includes currency risk and interest rate risk)
- Liquidity risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Group centralised finance function manages the Group's exposure to credit risk, market risk and liquidity risk.

18.2 Significant accounting policies

Details of the significant accounting policies in respect of financial asset, financial liability and equity instrument as well as the basis on which income and expenses are recognised, are disclosed in note 3 to the financial statements.

[Notes to the Financial Statements]

18. FINANCIAL RISK MANAGEMENT (Cont'd)

18.3 Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders. There were no changes in the Company's approach to capital management during the year.

The Group's and the Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The capital structure of the Group and the Company consists of debt and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the statements of changes in equity.

The Group's net debt at 30 June 2018 and 2017 is nil, considering the strong cash reserves held, and hence is not exposed to risk relating to high gearing.

18.4 Categories of financial instruments

	The Group		The Company	
	2018 Rs	2017 Rs	2018 Rs	2017 Rs
Financial assets				
Loan and receivables	**7,751,040**	195,732	**3,553,408**	278,714
Cash and cash equivalents	**3,037,290**	7,228,763	**160,807**	7,228,763
	10,788,330	7,424,495	**3,714,215**	7,507,477
Financial liabilities				
At amortised cost	**6,910,886**	1,601,830	**6,521,316**	1,631,585

Fair value estimations

For financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, described as follows:

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

[Notes to the Financial Statements]

18. FINANCIAL RISK MANAGEMENT (Cont'd)

18.4 Categories of financial instruments (Cont'd)

Fair value estimations (Cont'd)

The carrying amounts of the financial assets and liabilities approximate their fair values due to the short term nature of the balances involved.

The measurement of the Company's financial assets and liabilities is classified into the level 3 of the fair value hierarchy.

18.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

The Group's credit risk is primarily attributable to their trade receivables. The amounts presented in the statement of financial position are net of allowance for credit losses, estimated by the management based on prior experience. The Group have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The amount and ageing of impaired advances is disclosed in note 9 to the financial statements. Provision has been made for any losses estimated from non-performance by these counterparties.

18.6 Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group does not have borrowings at 30 June 2018.

(b) Foreign exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's reporting currency.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States Dollars ('USD'). The Group's dealings in foreign currency purchases is managed by seeking the best rates. Fluctuations arising on purchase transactions are partly offset by sales transactions, effected in USD as a natural hedge. The Group also has positions in United States Dollar (USD) and Indian Rupee (INR), which are the local currencies of its subsidiaries.

[Notes to the Financial Statements]

18. FINANCIAL RISK MANAGEMENT (Cont'd)

18.6 Market risk (Cont'd)

(b) Foreign exchange risk (Cont'd)

The currency profile of the financial assets and financial liabilities is summarised below.

	The Group		The Company	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
2018				
Currency				
Mauritian rupee ('Rs')	**748,166**	**2,415,408**	**3,293,228**	**6,087,662**
United States Dollars ('USD')	**9,742,783**	**2,952,770**	**371,031**	**261,375**
Others	**297,381**	**1,542,708**	**49,956**	**172,279**
	10,788,330	**6,910,886**	**3,714,215**	**6,521,316**
2017				
Currency				
Mauritian rupee ('Rs')	7,424,495	1,601,830	7,507,478	1,631,585

A sensitivity analysis, including only outstanding USD denominated monetary items and adjusting their translation at the period end for a 5% change in foreign currency rates, indicates that if the USD strengthens 5% against the Mauritian rupee, the Group will incur a gain on exchange of Rs 339,501 (2017: Nil).

A sensitivity analysis, including only outstanding USD denominated monetary items and adjusting their translation at the period end for a 5% change in foreign currency rates, indicates that if the USD strengthens 5% against the Mauritian rupee, the Company will incur a gain on exchange of Rs 5,483 (2017: Nil).

There would be an equal and opposite impact on the profit and other equity where the USD weakens 5% against the Mauritian Rupee.

The profit or loss is mainly attributed to the exposure outstanding on receivables and payables and bank balances at year end.

18.7 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Group's and the Company's liquidity reserve on the basis of expected cash flows.

[Notes to the Financial Statements]

18. FINANCIAL RISK MANAGEMENT (Cont'd)

18.7 Liquidity risk (Cont'd)

The table below analyses the Group's and the Company's remaining contractual maturity for its financial liabilities. The undiscounted cash flows are analysed into relevant maturity groupings based on the earliest date on which the Group and the Company can be required to pay them. The table includes both interest and principal cash flows.

	Less than 1 year	
	2018 Rs	2017 Rs
The Group		
Trade and other payables	**6,910,886**	1,601,830
The Company		
Trade and other payables	**6,521,316**	1,631,585

19. FINANCIAL SUMMARY

	2018 Rs	2017 Rs
The Group		
Shareholders' fund	**11,133,398**	6,377,026
Revenue	**21,932,270**	-
Profit/(loss) after tax	**5,057,377**	(1,122,274)

Subsidiaries and Directorships

Subsidiaries	Directors at 30 June 2018
NanoSAIO Ltd	Sanjeev Manrakhan Ali Mohammad Jamaloodeen Jessen Valaythen
NanoAFRI AA Ltd	Sanjeev Manrakhan Ali Mohammad Jamaloodeen Jessen Valaythen
Nanobnk Private Limited	Sanjeev Manrakhan Venkatesh Vaidyanathan
Anglo NanoTECH Ltd	Sanjeev Manrakhan Ali Mohammad Jamaloodeen

Corporate Information

Anglo NanoBNK Ltd
VAT Reg: VAT27489146
BRN No: C16143375

Registered Address
FD Complex Ground Floor
Royal Road St Jean, Quatre Bornes
Republic of Mauritius

Group External Auditors
Kemp Chatteris
Chartered Accountants
Cerné House
La Chaussée
Port Louis, Republic of Mauritius

Main Bankers
The Mauritius Commercial Bank Ltd
9-15, Sir William Newton Street,
Port Louis, Republic of Mauritius

Local Subsidiaries
FD Complex Ground Floor
Royal Road St Jean, Quatre Bornes
Republic of Mauritius

NanoSAIO Ltd
VAT Reg: VAT27516817
BRN No: C17146886

NanoAFRI AA Ltd
VAT Reg: VAT27520709
BRN No: C17147296

Anglo NanoTECH Ltd
VAT Reg: VAT27614650
BRN No: C18156275

Foreign Subsidiaries

Nanobnk Private Limited
No.1094, 12A Main Road,
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[Glossary]

AI - Artificial intelligence (AI) is intelligence exhibited by machines. In computer science, an ideal "intelligent" machine is a flexible rational agent that perceives its environment and takes actions that maximize its chance of success at some goal.

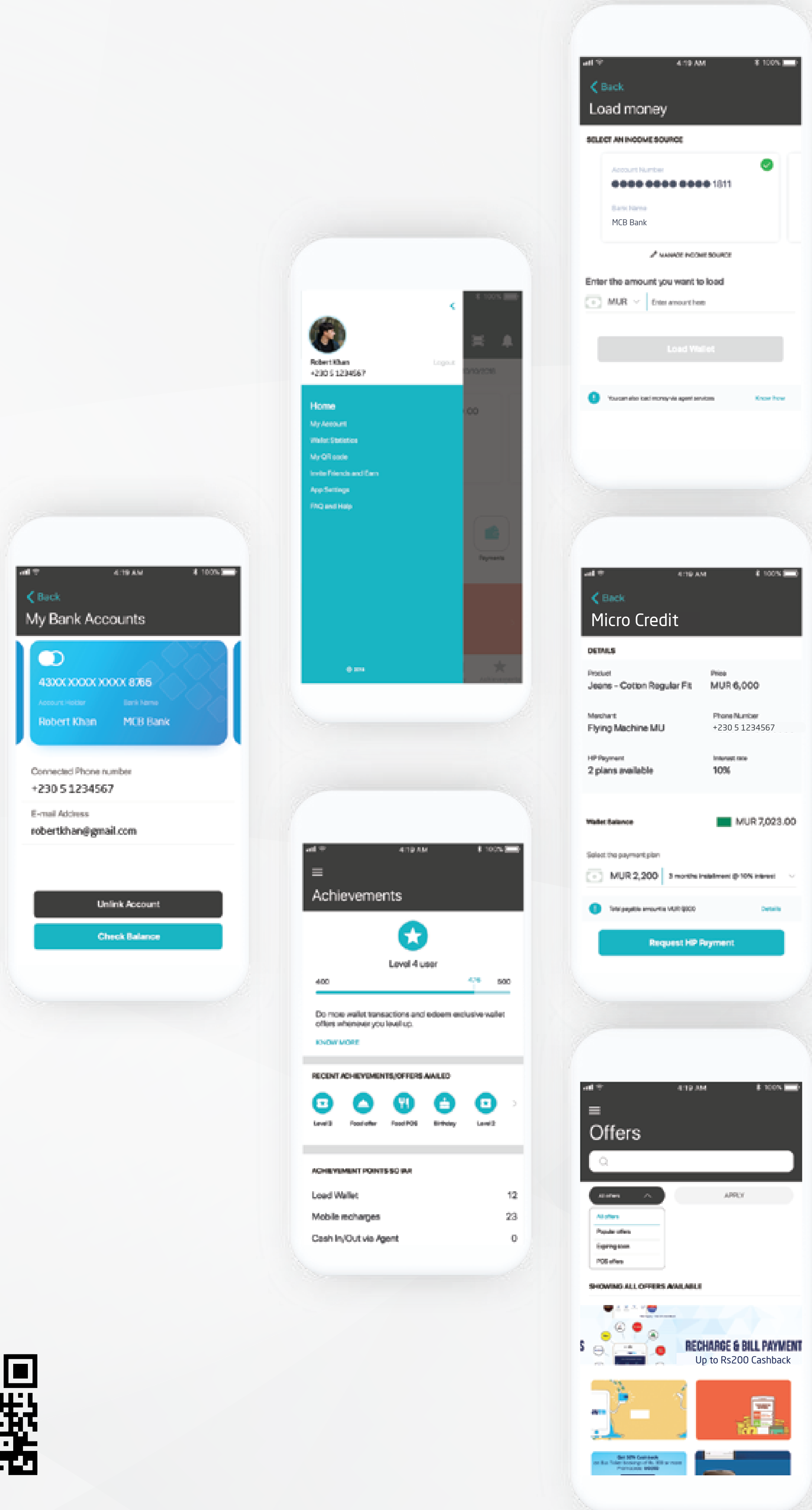
Blockchain: It is a transparent and secure way of storing information in blocks of fixed sizes. Each block is cryptograhically linked to each other to form a secure chain. Every block that is added to the chain increases the complexity of changing the information stored in the previous blocks. Blockchain is typically used in applications whereby it is important to have a historical view of the data and how it has changed overtime. E.g Smart Contracts, Crypto Currency, eKYC.

Fintech - Financial Technology: It is the new technology and innovation that aims to compete with traditional financial methods in the delivery of financial services. Fintech is a portmanteau of financial technology that describes an emerging financial services sector in the 21st century.

IFRS: The International Financial Reporting Standards (IFRS), usually called the IFRS, are standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB) to provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries.

SDG: The Sustainable Development Goals (SDGs), also known as Global Goals and Agenda 2030 are an inter-governmentally agreed set of targets relating to international development.

IIRC: The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. The coalition is promoting communication about value creation as the next step in the evolution of corporate reporting.



SUSTAINABLE DEVELOPMENT GOALS

nano [BNK]