
PRIME PARTNERS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

PRIME PARTNERS LTD
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The Directors have pleasure in submitting the Annual Report of Prime Partners Ltd (the 'Company') together with the audited financial statements for the year ended December 31, 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of secretarial, registry and other administration services.

DIRECTORS

The names of the Directors of the Company at the end of the year are as follows:

<u>Name</u>	<u>Position</u>	<u>Appointed</u>	<u>Date resigned</u>
NAKHUDA, Ayub Hussein	Chairman	May 11, 2015	May 18, 2018
BEEJAN, Manickchand	Director	May 29, 2018	-
	Chairman	June 21, 2018	-
VEERASAMY, Banoomatee	Director	August 6, 1997	March 29, 2018
BRETTE, Christophe Stephane	Director	September 14, 2006	-
NEERUNJUN, Premode	Director	January 30, 2018	-

COMPANY SECRETARY

The company secretary of Prime Partners Ltd is Mr. BULLYRAZ, Gopal.

DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual meeting have unexpired service contracts.

DIRECTORS' REMUNERATION

Remuneration and benefits received, or due and receivable from the Company.

	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
Executive directors		
- Full-time directors	1,304,110	1,237,228
- Part-time directors	-	-
Non-executive directors	-	-
	<u>1,304,110</u>	<u>1,237,228</u>

DONATIONS

No donations were made during the year (2017: Nil). The Company did not make any political donations during the year (2016: Nil).

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position at December 31, 2017, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and Companies Act 2001.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS (CONT'D)

The directors responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.


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

AUDITORS

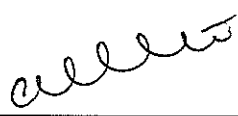
The fees to the auditors for audit and other services were:

	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
Audit fees	50,000	57,000
Other services	-	-
Total	<u>50,000</u>	<u>57,000</u>

Approved by the Board of Directors on 29 JUN 2018 and signed on its behalf by:



DIRECTOR
Mr. M. Beejan



DIRECTOR
Mr. C. Brette

**PRIME PARTNERS LTD
CERTIFICATE FROM THE COMPANY SECRETARY
FOR THE YEAR ENDED DECEMBER 31, 2017**

3.

We hereby certify that to the best of my knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required by the Company under Section 166 (d) of the Companies Act 2001 during the financial year ended December 31, 2017.



.....
Gopal Bullyraz
Company Secretary

Date:29 JUN 2018.....



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4.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIME PARTNERS LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prime Partners Ltd (the "Company") set out on pages 7 to 31 which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of Prime Partners Ltd as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Annual Report and the Certificate from the Company Secretary as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

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

Responsibilities of the Directors for the Financial Statements

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

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



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5.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIME PARTNERS LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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6.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRIME PARTNERS LTD (CONTINUED)

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

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

ERNST & YOUNG
Ebène, Mauritius

LI KUNE LAN POOKIM, F.C.A, F.C.C.A
Licensed by FRC

Date: 29 JUN 2018

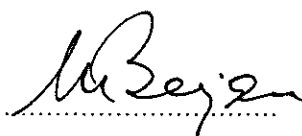
PRIME PARTNERS LTD
STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

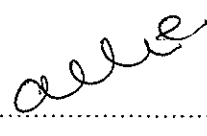
7.

ASSETS	Notes	2017	2016
		Rs.	Rs.
Non-current assets			
Property, plant and equipment	5	131,240	135,599
Intangible assets	6	385,157	705,337
Investment in associate	7	-	346,092
Available-for-sale investments	8	338,500	274,150
Other financial assets	9	82,665	197,881
Deferred tax asset	10	62,756	9,956
		<u>1,000,318</u>	<u>1,669,015</u>
Current assets			
Other financial assets	9	115,216	318,997
Trade and other receivables	11	4,171,515	3,503,919
Cash and cash equivalents	12	5,839,597	6,424,891
		<u>10,126,328</u>	<u>10,247,807</u>
Total assets		<u><u>11,126,646</u></u>	<u><u>11,916,822</u></u>
EQUITY AND LIABILITIES			
Equity			
Share Capital	13	1,000,000	1,000,000
Fair value reserve		100,052	35,702
Retained Earnings		9,504,057	9,828,573
Total equity		<u>10,604,109</u>	<u>10,864,275</u>
Current liabilities			
Trade and other payables	14	484,229	921,056
Current tax liabilities	15	38,308	131,491
		<u>522,537</u>	<u>1,052,547</u>
Total liabilities		<u>522,537</u>	<u>1,052,547</u>
Total equity and liabilities		<u><u>11,126,646</u></u>	<u><u>11,916,822</u></u>

These financial statements have been approved for issue by the Board of Directors on:

29 JUN 2018


.....
Directors
Mr. M. Beejan


.....
Directors
Mr. C. Brette

The notes on pages 11 to 31 form an integral part of these financial statements.
Auditor's report on pages 4 to 6.

PRIME PARTNERS LTD
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2017

8.

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		Rs.	Rs.
Revenue	16	11,677,979	12,218,584
Other income	17	424,644	359,831
		<u>12,102,623</u>	<u>12,578,415</u>
Operating expenses	18	<u>(11,994,340)</u>	<u>(10,685,141)</u>
Operating (loss)/profit		108,283	1,893,274
Share of results of associate	7	<u>(346,092)</u>	<u>(247,366)</u>
(Loss)/profit before tax		<u>(237,809)</u>	1,645,908
Income tax expense	15	<u>(86,707)</u>	<u>(206,639)</u>
(Loss)/profit for the year		<u>(324,516)</u>	<u>1,439,269</u>
 <i>Other comprehensive income</i>			
<i>Items that may be reclassified to profit or loss in subsequent period:</i>			
Fair value gain on available-sale-investments	8	<u>64,350</u>	<u>5,150</u>
Other comprehensive income for the year, net of tax		<u>64,350</u>	<u>5,150</u>
Total comprehensive income for the year		<u>(260,166)</u>	<u>1,444,419</u>

The notes on pages 11 to 31 form an integral part of these financial statements.
 Auditor's report on pages 4 to 6.

PRIME PARTNERS LTD
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

9.

	Share capital	Fair value reserve	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.
At January 1, 2017	1,000,000	35,702	9,828,573	10,864,275
Loss for the year	-	-	(324,516)	(324,516)
Other comprehensive income	-	64,350	-	64,350
At December 31, 2017	<u>1,000,000</u>	<u>100,052</u>	<u>9,504,057</u>	<u>10,604,109</u>
At January 1, 2016	1,000,000	30,552	8,389,304	9,419,856
Profit for the year	-	-	1,439,269	1,439,269
Other comprehensive income	-	5,150	-	5,150
At December 31, 2016	<u>1,000,000</u>	<u>35,702</u>	<u>9,828,573</u>	<u>10,864,275</u>

The notes on pages 11 to 31 form an integral part of these financial statements.
Auditor's report on pages 4 to 6.

PRIME PARTNERS LTD
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

10.

	Notes	2017 Rs.	2016 Rs.
Cash generated from operations			
Loss/profit before tax		(237,809)	1,645,908
Share of result of associate		346,092	247,366
Depreciation on plant and equipment	5	83,759	68,686
Amortisation of intangibles	6	320,180	305,041
Dividend income	17	(5,250)	(7,230)
Interest income	17	(14,825)	(18,816)
		<u>492,147</u>	<u>2,240,955</u>
Changes in working capital:			
- Trade and other receivables		(667,596)	231,792
- Trade and other payables		(436,827)	(468,850)
- Other financial assets		318,997	268,245
Cash generated from operations		<u>(293,279)</u>	<u>2,272,142</u>
Interest received		14,825	18,816
Income tax paid		(232,690)	-
Net cash flows from operating activities		<u>(511,144)</u>	<u>2,290,958</u>
Cash flows from investing activities			
Purchase of plant and equipment	5	(79,400)	(43,100)
Purchase of intangible assets	6	-	(132,120)
Dividends received		5,250	7,230
Net cash flows used in from investing activities		<u>(74,150)</u>	<u>(167,990)</u>
Net increase in cash and cash equivalents		<u>(585,294)</u>	<u>2,122,968</u>
Movement in cash and cash equivalents			
At January 1,		6,424,891	4,301,923
Increase		(585,294)	2,122,968
At December 31,	12	<u>5,839,597</u>	<u>6,424,891</u>

The notes on pages 11 to 34 form an integral part of these financial statements.

Auditor's report on pages 4 to 6.

1. GENERAL INFORMATION

Prime Partners Ltd is a limited liability company incorporated and domiciled in Mauritius. Its registered office is situated on the 15th floor, Air Mauritius Centre, John Kennedy Street, Port Louis.

The principal activity of the Company is the provision of secretarial, registry and other administration services.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, except for available-for-sale investments which are stated at fair values. The financial statements are presented in Mauritian Rupees ('MUR') and all values are rounded to the nearest rupee, except as otherwise indicated.

2.2 Statement of compliance

The financial statements of Prime Partners Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

2.3 Standards, amendments to published standards and interpretations effective in the reporting period

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amended standards:

<u>Amendments</u>	Effective for accounting period beginning on or after
IAS 7 Disclosure Initiative - Amendments to IAS 7	1 January 2017
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12	1 January 2017
IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12	1 January 2017

The adoption of the above amended standards did not have a material impact on the Company's financial statements.

2.4 Standards, amendments and interpretations to existing standards that are not yet effective

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Standards, amendments and interpretations to existing standards that are not yet effective(Cont'd)

New or revised standards and interpretations:

	Effective for accounting period beginning on or after
<u>New or revised standards</u>	
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021
<u>Amendments</u>	
IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2	1 January 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IAS 40 Amendments to Transfers of Investment Property	1 January 2018
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Prepayment Features with Negative Compensation - Amendments to IFRS 9	1 January 2019
Long-term Interests in Associates and Joint Ventures - Amendments to IAS 28	1 January 2019

Annual Improvements 2015 – 2017 Cycle (issued in December 2017)

The following amendments were made to these standards:

- IFRS 1 - First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters (01 January 2018)
- IAS 28 - Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment by investment choice (01 January 2018)
- IFRS 3 – Business Combinations – Previously held interests in joint operation (01 January 2019)
- IAS 12 – Income Taxes – Income tax consequences of payments on financial instruments classified as equity (01 January 2019)
- IAS 23 – Borrowing Costs – Borrowing costs eligible for capitalisation (01 January 2019)
- IFRS 11 – Joint Arrangements – Previously held interests in joint operation (01 January 2019)

IFRS 9 Financial Instruments

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

2. ACCOUNTING POLICIES (CONT'D)

2.4 Standards, amendments and interpretations to existing standards that are not yet effective(Cont'd)

IFRS 9 Financial Instruments(Cont'd)

The Company will adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Company has performed an impact assessment of all three aspects of IFRS 9, and expects no significant impact on its financial position or performance.

The Company available-for-sale investments are in equity shares. The Company intends to classify these as financial asset at fair value through other comprehensive income under IFRS 9 and therefore no significant impact is expected, except that losses and gains on disposal can no longer be recycled to profit or loss.

The trade and other receivables, and cash and cash equivalents are held by the Company to collect cash flows and are expected to give rise to cash flows representing solely payment of principal and interest. These financial assets will still be carried at amortised cost and therefore no reclassification is required.

IFRS 9 requires the Company to record expected credit losses on all of its trade and other receivables either on a 12 month or lifetime basis. The Company intends to apply the simplified approach and record lifetime expected losses on all trade receivables. The financial impact is currently being assessed but the impairment allowance is expected to increase as a result of the application of the expected credit loss model.

IFRS 15 Revenue from Contracts with Customers

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

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

The Company plans to adopt the new standard on the required effective date using the modified retrospective method. The Company provides management services to funds and recognises revenue over the period to which the services are rendered. During the year, the Company performed an initial assessment of the application of IFRS 15 and determined that the performance obligation for most of the services rendered occur over time and therefore expects that the impact on the Company's financial performance or position will not be significant.

Management is still assessing the impact from the adoption of the other new or amended standards and interpretations on the Company's financial statements. No early adoption is intended by the Board of Directors.

2.5 Summary of significant accounting policies

a) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate only when it is possible that future economic benefits associate with the item will flow to the company and the cost of the item can be measured reliably.

2.5 Summary of significant accounting policies(Cont'd)

a) Plant and equipment(Cont'd)

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

- Computer equipment	4 years
- Office equipment	5 years
- Furniture and fittings	10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use.

Gains and losses on disposals of plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

b) Investment in associate

An associate is an entity over which the Company has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

The Company's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment

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

The Company's share of profit or loss of its associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax of the associate. The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'share of result of associate' in profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.5 Summary of significant accounting policies(Cont'd)

c) Financial Instruments

(i) *Financial assets*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Loans and receivables

Loans and receivables include trade and other receivables, and cash and cash equivalents.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in profit or loss.

Available-for-sale (AFS) financial assets

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

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

For a financial asset reclassified from the AFS category, the fair value at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.5 Summary of significant accounting policies(Cont'd)

c) Financial Instruments(Cont'd)

(i) *Financial assets(Cont'd)*

Impairment

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Impairment(Cont'd)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited of profit or loss.

2.5 Summary of significant accounting policies(Cont'd)

c) Financial Instruments(Cont'd)

(i) *Financial assets(Cont'd)*

Impairment(Cont'd)

Available-for-sale (AFS) financial assets

For AFS financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

Derecognition

Loans and receivables are primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.5 Summary of significant accounting policies(Cont'd)

c) Financial Instruments(Cont'd)

(i) *Financial assets(Cont'd)*

Derecognition (Cont'd)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(ii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Loans and borrowings

The Company's financial liabilities consist of other payables which are classified as loans and borrowings.

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

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

2.5 Summary of significant accounting policies(Cont'd)

d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand net of outstanding bank overdrafts.

e) Share capital

Ordinary shares

Ordinary shares are classified as equity.

f) Intangible assets

Intangible assets consist of computer software and are recognised at costs and amortised using the straight line method over their estimated useful life of 5 years.

g) Retirement benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the National Pension Scheme and the defined contribution pension plan are expensed to profit or loss in the period in which they fall due.

The company is also liable for gratuity on retirement payable under the Employment Rights Act 2008 for those employees who are not covered or who are insufficiently covered by the defined contribution plan. An assessment has been performed by the actuary who confirmed that at the reporting date, the company has no residual liabilities under the Employment Rights Act 2008.

h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

i) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax and Corporate Social Responsibility ("CSR") tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

2.5 Summary of significant accounting policies(Cont'd)

i) Current and deferred income tax (cont'd)

Current income tax assets and liabilities are measured at the amount expected to be received or paid to the taxation authorities.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The principal temporary differences arise from accelerated capital allowances, provision for post-employment benefits and provision for impairment on receivables.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The directors apply judgement to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as cash flows and budgets. The carrying amount of deferred tax asset is reviewed at each reporting date.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

j) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for sales of services, stated net of discounts, returns, value added taxes, rebates and other similar allowances.

Rendering of services

Revenue from rendering of services are recognised in the accounting period in which the service are rendered.

Interest income

Interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is recognised in profit or loss.

Dividend income

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

k) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements and deducted from equity in the period in which the dividend is declared.

2.5 Summary of significant accounting policies(Cont'd)

l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

m) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

The market risks exposed by the Company are detailed below. The Company is not exposed to significant interest rate risks and foreign currency risk at the reporting date.

Price risk

The Company is exposed to equity securities price risk because of investments held by the Company and classified as available-for-sale investments on the statement of financial position.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

Sensitivity analysis

If the equity price of the available-for-sale investment had increased/decreased by 5%, the impact on equity of the Company would have been Rs. 6,562 higher/ lower(2016: Rs. 6,780) respectively.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables, and cash and cash equivalent. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current environment.

The Company has policies in place to ensure that sales of services are made to customers with an appropriate credit history. A significant portion of the company's sales are made to related parties as shown in note 19.

The maximum exposure to credit risk arise from default of the counter party with a maximum exposure equal to the carrying amount of the Company's financial assets. Cash and cash equivalents are maintained with reputable financial instruments.

(c) Liquidity risk

Liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities to meet obligations as they fall due.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk (cont'd)

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amount disclosed are the contractual undiscounted cash flows.

THE COMPANY	Less than 1 year Rs.	Between 1 and 2 years Rs.	Between 2 and 5 years Rs.	Over 5 years Rs.
At December 31, 2017				
Trade Payable	484,229	-	-	-
Rs.	484,229	-	-	-
At December 31, 2016				
Trade Payable	921,056	-	-	-
Rs.	921,056	-	-	-

3.2 Fair value estimation

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of the Company's financial assets and financial liabilities approximate their fair values.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital management

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 commensurately with the level of risk.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, or sell assets to reduce debt.

The Company's capital consists of stated capital and reserves. The Company did not have any borrowings as at December 31, 2017 (2016 : Rs.Nil).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company'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 below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

(a) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

5. PLANT AND EQUIPMENT

	Computer equipment	Office equipment	Furniture and fittings	Total
		Rs.	Rs.	Rs.
COST				
At January 1, 2016	3,680,107	786,623	2,130,838	6,597,568
Additions	7,800	35,300	-	43,100
At December 31, 2016	3,687,907	821,923	2,130,838	6,640,668
Additions	79,400	-	-	79,400
At December 31, 2017	3,767,307	821,923	2,130,838	6,720,068
DEPRECIATION				
At January 1, 2016	3,527,797	777,748	2,130,838	6,436,383
Charge for the year	61,376	7,310	-	68,686
At December 31, 2016	3,589,173	785,058	2,130,838	6,505,069
Charge for the year	73,114	10,645	-	83,759
At December 31, 2017	3,662,287	795,703	2,130,838	6,588,828
NET BOOK VALUES				
At December 31, 2017	105,020	26,220	-	131,240
At December 31, 2016	98,734	36,865	-	135,599

6. INTANGIBLE ASSETS

	2017	2016
	Rs.	Rs.
Computer software		
COST		
At January 1,	1,329,920	1,197,800
Additions	-	132,120
At December 31,	1,329,920	1,329,920
AMORTISATION		
At January 1,	624,583	319,542
Charge for the year	320,180	305,041
At December 31,	944,763	624,583
NET BOOK VALUES		
At December 31,	385,157	705,337

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7. INVESTMENT IN ASSOCIATE

	2017	2016
	Rs.	Rs.
At January 1,	346,092	593,458
Share of result of associate	(346,092)	(247,366)
At December 31,	-	346,092

Details of the investments in the associate are as follows:

	Class of shares held	Proportion of Ownership	Country of incorporation	Activity
Prime Securities Ltd	Ordinary	20%	Mauritius	Stock broking

Summarised financial information in respect of the associates are set out below:

	2017	2016
	Rs.	Rs.
Current assets	2,297,120	1,610,799
Non-current assets	-	1,591,654
Current liabilities	(2,116,098)	(819,463)
Non-current liabilities	-	(652,531)
Equity	181,022	1,730,459
Proportion of ownership	20%	20%
Company's share in equity	36,204	346,092
Impairment	(36,204)	-
Carrying value of investment in associate	-	346,092
Revenue	677,929	631,263
Loss for the year	(1,530,562)	(1,246,513)
Other comprehensive income	(18,875)	2,625
Total comprehensive income	(1,549,437)	(1,243,888)
Company's share of:		
Loss for the year	(306,112)	(249,303)
Other comprehensive income	(3,775)	525
Total comprehensive income	(309,887)	(248,778)
Impairment and other adjustments	(36,205)	1,412
Share of result of associate	(346,092)	(247,366)

8 AVAILABLE-FOR-SALE INVESTMENTS

	2017	2016
	Rs.	Rs.
<u>Equity investments - Level 1</u>		
At January 1,	274,150	269,000
Fair value adjustments recognised in other comprehensive income	64,350	5,150
At December 31,	<u>338,500</u>	<u>274,150</u>

The fair value of the available-for-sale investments has been determined based on the quoted prices at the close of business at the reporting date. There has been no transfers between level 1 and level 2 during the year.

The available-for-sale investments are denominated in Mauritian Rupee.

9. OTHER FINANCIAL ASSETS

	2017	2016
	Rs.	Rs.
Non-current		
Loan to employee	55,509	144,267
Grants to employees	27,156	53,614
	<u>82,665</u>	<u>197,881</u>
Current		
Loan to employee	88,758	83,240
Grants to employees	26,458	235,757
	<u>115,216</u>	<u>318,997</u>
Total	<u>197,881</u>	<u>516,878</u>

The loan to employees is interest bearing and is repayable in instalments. The grants to employees have been provided according to the terms of the agreement and are amortised over the agreed period.

10. DEFERRED INCOME TAX

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2016: 15%).

There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority. The movement on the deferred tax are as follows:

	Rs.	Rs.
<u>Net deferred tax asset</u>		
Accelerated tax depreciation		
At January 1,	9,956	85,104
Deferred tax credit/(charge)	52,800	(75,148)
At December 31,	<u>62,756</u>	<u>9,956</u>

11. TRADE AND OTHER RECEIVABLES

	2017	2016
	Rs.	Rs.
Trade receivables	3,980,185	3,498,043
Provision for impairment	<u>(285,835)</u>	<u>(51,560)</u>
	3,694,350	3,446,483
Other receivables	477,165	57,436
	<u>4,171,515</u>	<u>3,503,919</u>

Trade receivables and other receivables are unsecured, interest free and are receivable within three months. The carrying amount of trade and other receivables approximate their fair value. The Company's trade and other receivables are denominated in Rupees.

The movement in the provision for impairment were as follows

	2017	2016
	Rs.	Rs.
At January 1,	51,560	760,375
Charge/(credit) for the year	234,275	(708,815)
At December 31,	<u>285,835</u>	<u>51,560</u>

The ageing analysis of the trade receivables was as follows:

	2017	2016
	Rs.	Rs.
Neither past due nor impaired	1,174,988	1,299,730
less than 30 days	601,990	972,500
30 - 60 days	389,735	166,750
61 - 90 days	299,434	143,750
Above 90 days	1,228,203	863,753
	<u>3,694,350</u>	<u>3,446,483</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

12. CASH AND CASH EQUIVALENTS

	2017	2016
	Rs.	Rs.
Cash at bank and in hand	<u>5,839,597</u>	<u>6,424,891</u>

13. STATED CAPITAL

	2017	2016
	Rs.	Rs.
Authorised, issued and fully paid 100,000 Ordinary shares of Rs.100 each	<u>1,000,000</u>	<u>1,000,000</u>

14. TRADE AND OTHER PAYABLES

	2017	2016
	Rs.	Rs.
Trade payables	208,110	145,145
Other payables	105,061	155,440
Provision for passage benefits	171,058	620,471
	<u>484,229</u>	<u>921,056</u>

Other payables are non-interest bearing and have an average term of six months.

15. INCOME TAX

	2017	2016
	Rs.	Rs.
<u>Current tax liabilities</u>		
At January 1,	131,491	-
Current tax on the adjusted profit for the year	107,625	131,491
CSR	31,882	-
Paid during the year	(232,690)	-
At December 31,	<u>38,308</u>	<u>131,491</u>

Income tax expense

	2017	2016
	Rs.	Rs.
Current tax on the adjusted profit for the year	107,625	131,491
CSR	31,882	-
Deferred tax (credit)/charge (note 8)	(52,800)	75,148
	<u>86,707</u>	<u>206,639</u>

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

	2017	2016
	Rs.	Rs.
Profit before taxation	(237,809)	1,645,908
Tax calculated at a rate of 17% (2016: 15%)	(40,428)	246,886
Income not subject to tax	(893)	(153,423)
Expenses not deductible for tax purposes	110,496	113,176
CSR not recognised in previous year	17,532	-
Tax charge	<u>86,707</u>	<u>206,639</u>

16. REVENUE

	2017	2016
	Rs.	Rs.
Rendering of services	<u>11,677,979</u>	<u>12,218,584</u>

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17. OTHER INCOME

	2017	2016
	Rs.	Rs.
Dividend income	5,250	7,230
Refund of expenses	404,569	333,785
Interest income	14,825	18,816
	<u>424,644</u>	<u>359,831</u>

18. OPERATING EXPENSES

	2017	2016
	Rs.	Rs.
Salaries and wages	8,840,977	8,169,969
Pension costs	467,256	465,336
Total staff costs	<u>9,308,233</u>	<u>8,635,305</u>
Depreciation on plant and equipment (note 5)	83,759	68,686
Amortisation of intangible assets (note 6)	320,180	305,041
Provision for impairment of trade receivables (note 11)	234,275	(708,815)
Other expenses	2,047,893	2,384,924
	<u>11,994,340</u>	<u>10,685,141</u>

19. RELATED PARTY DISCLOSURES

The transactions and balances with related parties were as follows:

	Compensation	Rendering of services	Amount receivable	Amount payable
	Rs.	Rs.	Rs.	Rs.
2017				
Holding company	-	240,000	23,000	-
Entity under common control	-	4,972,900	863,380	-
Key management personnel	<u>1,304,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
2016				
Holding company	-	240,000	55,000	64,400
Entity under common control	-	4,387,800	1,758,630	-
Key management personnel	<u>1,237,228</u>	<u>-</u>	<u>-</u>	<u>-</u>

The balances receivable and payable at the year end are unsecured and interest free and settlement occurs in cash. There has been no guarantee provided or received for any related party receivables or payables.

For the year ended December 31, 2017, the Company has recorded provision for impairment in respect of amount receivable amounting to Rs 17,500 (2016: Rs nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which it operates.

20. HOLDING COMPANY

The directors consider The State Investment Corporation Ltd, a company incorporated in Mauritius, as the holding company.

21. EVENTS AFTER REPORTING DATE

There has been no material event after the reporting date until these financial statements were authorised for issue, that require adjustments or disclosures in those financial statements.

22. CLIENT MONIES

The Company held bank balances of Rs 1,403,436 at December 31, 2017 on behalf of its clients. The bank balances are not considered to be assets of the Company and were therefore not recorded in these financial statements.

