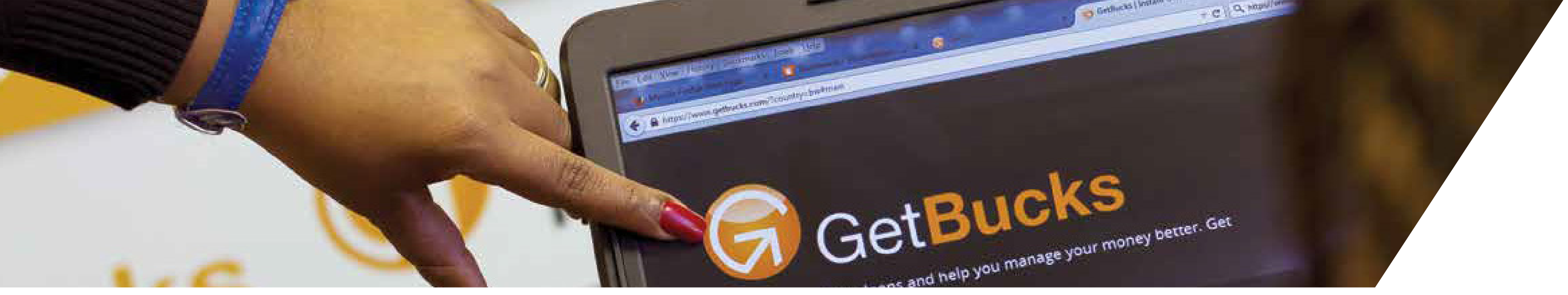

GetBucks Microfinance Bank

GETBUCKS ZW 1729/01

GETBUCKS MICROFINANCE BANK LIMITED (FORMERLY GETBUCKS FINANCIAL SERVICES LIMITED) AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Chairman's Statement

Shareholders,

It is with pleasure that I present the audited financial statements of GetBucks Microfinance Bank Limited ("the bank") for the year ended 30 June 2017, 18 months since we were granted our Deposit Taking License and Listing on the Zimbabwe Stock Exchange and five months since the launch of Zimbabwe's first Listed Medium-Term bond.

RESULTS

Operating environment

The Zimbabwean operating environment during the period under review was challenging however I am happy to report that despite many difficulties the business continued to return a healthy profit.

Significant challenges continue to be experienced on the cash and Nostro payment platforms because of the country's negative balance of payments position. Despite these, the bank has been able to operate normally in an environment of cash shortages by using all locally available electronic payment channels for payments and receipts. The bank is a full participant on RTGS, Zimswitch and all mobile money platforms and will continue to leverage on this capability to ensure uninterrupted service for its customers.

We believe there are opportunities abound on the market to deliver value to customers and shareholders alike.

Strategy

The banks' stated purpose is to offer financial services through technology (Fintech) with a focus on the underbanked masses. The results of this strategy are evident in the good results that we have posted and we believe that there are more growth opportunities in the short and long-term horizons of our business. To achieve this objective, the bank invested significantly in a new core banking system to facilitate the renewed focus, and the bank has continued to improve on service delivery and turnaround times.

The commencement of deposit taking activities has allowed us to offer additional services to our customers thereby adding new revenue streams to the business. This revenue line is still in its early days but we are encouraged by observations thus far.

Operating results

The company recorded a profit after tax of $3.6 million for the year ended 30 June 2017, an increase from $3 million last year. The increased profit arose due to increased Interest Income that went up by 19% from $7.8 million to $9.3 million. This was a direct result of increased lending that saw $21.2 million being disbursed this year compared to $13.0 million in the previous year supported by introductions of SME loans business, However, due to the loans being short term in nature, the loan book only increased by 9% from $13.8 million to $15.0 million. Operating expenses grew from $5.9 million to $6.9 million over the same period. This was mainly due to increases in selling expenses and staff costs as this was our first financial year with a full complement of banking staff, emanating regulatory compliance with the requirements for deposit taking as well as the introduction of new products and technologies. Our Retail banking business is poised to yield good results in the coming period as more Small to Medium Enterprises entrust us with their funds, however this is still a relatively new business avenue for the bank. This saw our deposits increase to $1.5 million from $0.6 million.

Financial Position

Total assets grew by 7.6% from $20.5 million to $22.1 million. The Balance Sheet is dominated by liquid assets of cash and financial assets and efforts are underway to create a more robust balance sheet that will be able to withstand economic shocks through investments in fixed property. Loans and advances to customers increased by 9% to $15.0 million.

In April 2017, the bank launched the first listed bonds on the Zimbabwe Stock Exchange. $5.4 million was raised from the first series of the program as part of a larger $30 million program to be raised over the next 3 years. The second series is currently open for investors. This is a significant milestone considering that this is the first Zimbabwean Listed Bond in over a decade. At 11% per annum this is the highest coupon rate on the market and offers bond holders a good return.

Capital

The Company was adequately capitalized with a net equity position of $13 496 081. This capital position is well above the minimum regulatory threshold of $5 million for deposit taking microfinance institutions.

Dividend

The Company strives to ensure that the shareholders obtain maximum return on their investment and in keeping with this objective the Board proposed an interim dividend of $0.00032 per share. Based on the results attained at the end of the year the Board recommends an additional and final dividend of $0.00051 per share. This will bring the total dividend for the year to $0.00083 per share which the Board recommends as the final dividend for the year ended 30 June 2017. This dividend is a 31.7% increase from prior year dividend and indicates the good performance of the business over the previous year.

Corporate social responsibility

The Board and Management remain committed to improving the social wellbeing of the communities that we serve. During the period, the Company was involved in corporate social responsibility initiatives in education, sports and culture across provinces in the country.

The Company will continue these initiatives across the country throughout the year.

Outlook

The bank is now fully established with full range of services available for its customers. The potential for additional revenue generation is still significant. Management will also undertake efforts to improve the costs and efficiencies in order to increase shareholder return. The bank will strive to bring financial services to its customers through technology.

Directorate

Mr. George Manyere was appointed Deputy Chairman of the Board of Directors. He continues to assist the bank to achieve its objectives.

Audit statement

These abridged Annual financial statements should be read in conjunction with the complete set of the annual financial statements for the year ended 30 June 2017. The annual financial statements have been audited by PriceWaterhouseCoopers Chartered Accountants (Zimbabwe), who have issued an unmodified opinion thereon and have included a section on key audit matters in their report. The key audit matters covered the impairment of loans and advances due to the use of actuarial methods to estimate default. The auditor's report on the annual financial statements, from which these abridged annual financial statements are extracted, is available for inspection at the companies registered office.

Appreciation

I would like to thank our clients, management and staff, regulatory authorities and fellow Directors for their contribution during the year and the achievement of these excellent results in a tough environment.

Mr. G Madzima
CHAIRMAN

28 September 2017

Dividend Declaration Notice

Notice is hereby given that on 28 September 2017, the Board of Directors of GetBucks Financial Services Limited has recommended a dividend of US$ 0.00051 (0.051 cents) per share payable in respect of all ordinary shares of the company.

This dividend is in respect of the year ended 30 June 2017 and will be payable in full to all shareholders of the company registered at close of business on 13 October 2017.

The payment of this dividend will take place on or about 20 October 2017.

The shares of the company will be traded cum-dividend ("with dividend") on the Stock Exchange up to the market day of 10 October 2017 and ex-dividend as from 11 October 2017. Non-resident shareholders tax and resident shareholder tax will be deducted from the gross dividends where applicable.

By Order of the Board

Mr. P. Soko
Company Secretary

28 September 2017

Statement of Financial Position

As at 30 June 2017

	Note	2017 US$	2016 US$
ASSETS			
Cash and cash equivalents	4	2 890 378	3 370 560
Loans and advances to customers	5	15 075 120	13 812 780
Amounts due from related parties	6	3 051 768	2 623 191
Other assets	7	674 716	452 941
Deferred tax assets	8	102 111	-
Intangible assets	9	85 782	13 466
Equipment	10	245 451	271 128
Total assets		**22 125 326**	**20 544 066**
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital	11	109	109
Share application funds reserve	11	999 900	999 900
Share premium	11	2 883 628	2 883 628
Other Reserves	11	42 190	-
Retained profits		9 570 254	6 536 188
Total equity		**13 496 081**	**10 419 825**
LIABILITIES			
Other financial liabilities	13	1 583 550	1 233 433
Deposits from customers	14	1 531 424	657 888
Deferred tax liabilities	8	-	17 009
Borrowings	12	5 514 271	8 215 911
Total liabilities		**8 629 245**	**10 124 241**
Total equity and liabilities		**22 125 326**	**20 544 066**

The above statement of financial position should be read in conjunction with accompanying notes.
The financial statements were approved by the Board of Directors and are signed on its behalf by:

MR. G. MADZIMA
Chairman

M. MUCHANDO -MUREVESI
Managing Director

18 August 2017

Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 US$	2016 US$
Interest income	15	9 372 196	7 846 020
Interest expense	16	(766 968)	(925 157)
Net interest income		**8 605 228**	**6 920 863**
Fee and commission Income	17	4 150 407	4 164 683
Total net income		**12 755 635**	**11 085 546**
Impairment and allowances	5.6	(999 687)	(954 601)
Operating expenses	18	(6 859 477)	(5 921 239)
Profit before taxation		**4 896 471**	**4 209 706**
Income tax expense	19	(1 260 943)	(1 195 450)
Profit for the year		**3 635 528**	**3 014 256**
Other comprehensive income			
Items that will not be reclassified to profit or loss:		-	-
Items that may be subsequently reclassified to profit or loss:		-	-
Total comprehensive income/(loss) for the year, net of tax		**3 635 528**	**3 014 256**
Earnings per share (cents)	**11**	**0.33**	**0.28**
Diluted earnings per share (cents)	**11**	**0.33**	**0.28**

The above statement of comprehensive income should be read in conjunction with accompanying notes.

Statement of changes in equity

For the year ended 30 June 2017

	Share capital US$	Share premium US$	Share application fund reserve US$	Other reserves US$	Retained Earnings US$	Total equity US$
Balance at 1 July 2015	**100**	**-**	**999 900**	**-**	**5 021 932**	**6 021 932**
Profit for the year	-	-	-	-	3 014 256	3 014 256
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**3 014 256**	**3 014 256**
Transactions with owners in their capacity as owners						
Share issue	9	-	-	-	-	9
Share premium	-	3 199 991	-	-	-	3 199 991
Share issue costs	-	(316 363)	-	-	-	(316 363)
Dividends declared and paid	-	-	-	-	(1 500 000)	(1 500 000)
	9	2 883 628	-	-	(1 500 000)	1 383 637
Balance at 30 June 2016	**109**	**2 883 628**	**999 900**	**-**	**6 536 188**	**10 419 825**
Balance at 1 July 2016	**109**	**2 883 628**	**999 900**	**-**	**6 536 188**	**10 419 825**
Profit for the year	-	-	-	-	3 635 528	3 635 528
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**3 635 528**	**3 635 528**
Transactions with owners in their capacity as owners						
Dividends declared and paid	-	-	-	-	(601 462)	(601 462)
Employee share scheme	-	-	-	-	-	-
value of employee services	-	-	-	42 190	-	42 190
	-	-	-	42 190	(601 462)	(559 272)
Balance at 30 June 2017	**109**	**2 883 628**	**999 900**	**42 190**	**9 570 254**	**13 496 081**

The above statement of changes in equity should be read in conjunction with accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 US$	2016 US$
Cash flows from operating activities			
Cash generated from operations	21	5 544 518	4 118 943
Interest received		-	120 654
Interest paid		(1 133 765)	(885 306)
Income tax paid	22	(1 397 395)	(1 419 505)
Net cash flows generated from operating activities		**3 013 358**	**1 934 786**
Cash flows from investing activities			
Purchase of equipment	10	(100 288)	(204 702)
Purchase of software	9	(90 150)	(16 775)
Advances to shareholders	23	-	(2 858 000)
Repayments from shareholders	23	-	500 000
Net cash flows utilised in investing activities		**(190 438)**	**(2 579 477)**
Cash flows from financing activities			
Proceeds from share issue	11	-	2 883 628
(Payments)/Proceeds of other financial liabilities	12	(2 701 640)	1 103 017
Dividends paid		(601 462)	(1 500 000)
Net cash flows generated from/(used in) financing activities		**(3 303 102)**	**2 486 645**
Net increase in cash & cash equivalents		(480 182)	1 841 954
Cash and cash equivalents at the beginning of the year		3 370 560	1 528 606
Cash and cash equivalents at the end of the year	**4**	**2 890 378**	**3 370 560**

The above statement of cash flows should be read in conjunction with accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2017

1 GENERAL INFORMATION

GetBucks Microfinance Bank Limited ("Getbucks" or "the Company") is registered as a Deposit Taking Microfinance Bank by the Reserve Bank of Zimbabwe, under the Zimbabwe Money Lending and Interest Rates Act (Chapter 14:41), and is a subsidiary of GetBucks Limited which holds 50.3%, (2016 : 50.3%) of the Company's ordinary shares The Bank was listed on the Zimbabwe Stock exchange on 15 January 2016 and obtained its Deposit Taking Licence during the same month.

The Company is a limited liability company incorporated and domiciled in Zimbabwe.

The address of its registered office is 1st Floor, MIPF House, 5 Central Avenue, Harare, Zimbabwe.

On 21 June 2017 shareholders approved the change of name to Getbucks Microfinance Bank to better reflect the nature of the operations being undertaken.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

2.1.1 Statement of Compliance

The condensed financial statements are prepared and presented on the basis that they reflect the information necessary to be a fair summary of the annual financial statements from which they are derived. This includes financial results that agree with or can be recalculated from the related information in the audited financial statements and that contain the information necessary so as not to be misleading in the circumstances. The information contained in these consolidated financial results does not contain all the disclosures required by International Financial Reporting Standards, the Companies Act (Chapter 24:03) of Zimbabwe and the Microfinance Act of Zimbabwe, which are disclosed in the full annual financial statements from which this set of condensed financial statements were derived. For a better understanding of the Bank's financial position, its financial performance and cash flows for the year, these condensed financial statements should be read in conjunction with the audited annual financial statements. The financial statements were approved by the Board of Directors on 18 August 2017.

Basis of preparation

The condensed financial statements have been prepared under the historical cost convention. These financial statements are reported in United States of America Dollars and are rounded to the nearest dollar.

2.1.2 Going concern

The Directors have assessed that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

3 ACCOUNTING POLICIES

The selected principal accounting policies applied in the preparation of these condensed financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Financial Instruments

In accordance with IAS 39, 'Financial instruments recognition and measurement', all financial assets and liabilities have to be recognised in the statement of financial position and measured in accordance with their assigned category.

3.1.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and the Company does not intend to sell immediately or in the near term. The Company's loans and receivables comprise loans and advances to customers and cash and cash equivalents in the statement of financial position. Loans and receivables are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Loans and receivables are stated net of impairment allowances.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

d) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date; the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value are initially recognised at fair value, and transaction costs are expensed within administrative expenses in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

GETBUCKS MICROFINANCE BANK LIMITED (FORMERLY GETBUCKS FINANCIAL SERVICES LIMITED) AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Notes to the Financial Statements (continued)

For the year ended 30 June 2017

3 ACCOUNTING POLICIES (CONTINUED

3.1 Financial Instruments (continued)

3.1.1 Financial assets (continued)

d) Recognition and measurement (continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss and available-for-sale financial assets is recognised in the statement of comprehensive income when the Company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When these financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'gains or losses from investment securities'

The fair values of quoted investments are based on current bid prices. If the market for a financial asset (and for unlisted securities) is not available, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Company classifies the financial instruments into classes that reflect the nature of information and take into account characteristics of those financial instruments.

e) "Day 1" profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in profit or loss. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the profit or loss when the inputs become observable, or when the instrument is derecognised

3.1.2 Financial liabilities

The Company's financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost include borrowings. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Deposits and Other Liabilities

Deposits and other liabilities are non-trading financial liabilities payable on demand and at variable interest rates. Subsequent to initial measurement deposits and other liabilities are measured at amortised cost applying the effective interest method.

3.2.2 Impairment of financial assets

Assets carried at amortised cost

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably measured.

Objective evidence that a financial asset or a group of financial assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

(i) significant financial difficulty of the issuer or obligor;
(ii) a breach of contract, such as default or delinquency in interest or principal payments;
(iii) the Company granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
(iv) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
(v) the disappearance of an active market for that financial asset because of financial difficulties; or
(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in a group including:
-adverse changes in the payment status of borrowers in a group; or
-national or local economic conditions that correlate with defaults on the assets in a group

3.2.3 Share based payments

The Group issues share options to certain employees in terms of the Employee Share Option Scheme which is an equity settled share-based payment scheme. Share options are measured at fair value of the equity instruments at the grant date. The fair value determined at the grant date of the options is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured using the Black-Scholes option pricing model.

3.3 Property and equipment

The residual value and the useful life of property and equipment are reviewed at least each financial year-end. If the residual value of an asset increases by an amount equal to or greater than the asset's carrying amount, then the depreciation of the asset ceases. Depreciation will resume only when the residual value decreases to an amount below the asset's carrying amount.

3.4 Current income and deferred tax

Current income tax assets and liabilities

The income tax expense for the year comprises current income and deferred tax. Income tax is recognised in the statement of comprehensive income, 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 expense is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in Zimbabwe. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

From retained earnings to a regulatory reserve and where it is more; the full amount will be recognised in profit or loss.

3.5 Revenue recognition

Revenue is derived substantially from the microfinance business and related activities and comprises interest income and non-interest income.

Revenue is measured at the fair value of the consideration received or receivable. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due and measurement of the associated costs incurred to earn the revenue. From the business of microfinance and related services, revenue comprises interest income and fees and commission income.

3.6 Interest income and interest expense

Interest income and interest expense are recognised in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently. Where financial assets have been impaired, interest income continues to be recognised on the impaired value, based on the original effective interest rate until it reaches the induplum limit. Interest income excludes fair value adjustments on interest-bearing financial instruments. Fair value adjustments on financial instruments are reported under other income.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of a financial asset or liability.

3.8 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of the preparation of the financial statements experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality.

3.8.1 Income taxes

The Company is subject to income tax in Zimbabwe. Significant judgement is required in determining the income tax. There are many transactions and calculations for which ultimate tax determination during the ordinary course of business is estimated. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from amounts that were initially recognised, such differences will impact the current and deferred income tax liabilities in the period in which such determination is made. Most of the company's revenues are taxable and expenses deductible for tax purposes. Judgement is required to determine some estimates that qualify for tax deduction.

3.8.2 Impairment losses on loans and advances

The Company reviews its loan portfolios to assess impairment at least monthly. In determining whether an impairment allowance should be recorded in the statement of comprehensive income, the Company makes judgements as to whether there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. Management uses estimates based on historical loss experience for assets with credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

4 CASH AND CASH EQUIVALENTS

	2017 US$	2016 US$
Cash and cash equivalents consist of:		
Cash on hand	586 487	140 127
Balances with the Central Bank	268 556	-
Bank balances	2 035 335	3 230 433
	2 890 378	3 370 560

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit 'ratings (if available) or historical information about counterparty default rates:

	2017 US$	2016 US$
Credit rating		
AA-	7 854	37 654
A+	34 546	7 725
A	29 780	-
BBB	-	2 025 724
BBB-	196 127	-
BB+	1 379 478	1 054 432
B+	19 642	27 057
B-	-	77 841
unrated	636 464	-
	2 303 891	3 230 433

The company utilises various banks for financial services and deposits. In addition the use of several institutions further manages concentration risk. Deposits with the Central Bank and other Banks are used to facilitate customer transactions including payments and withdrawals. The bank is not licensed to process foreign currency account payments for its customers.

5 LOANS AND ADVANCES TO CUSTOMERS

	2017 US$	2016 US$
5.1 Loans and advances maturities		
Consumer loans		
Maturing within 3 months	4 172 852	6 742 519
Maturing within 3 - 12 months	5 286 959	5 687 935
Maturing 1- 5 years	1 481 325	756 072
Maturing over 5 years	-	-
Gross carrying amount	10 941 136	13 186 526
Less credit impairment (note 5.6)	978 274	572 266
Specific impairment allowance (note 5.6)	-	-
Portfolio impairment allowance	978 274	572 266
Net carrying amount	**9 962 862**	**12 614 260**
Current (no more than 12 months after reporting period)	8 481 537	11 858 188
Non-current (more than 12 months after reporting period)	1 481 325	756 072
	9 962 862	**12 614 260**
SME loans		
Maturing within 3 months	1 946 574	84 414
Maturing within 3 - 12 months	2 538 135	1 114 106
Maturing 1- 5 years	84 649	-
Gross carrying amount	4 569 358	1 198 520
Specific impairment	49 227	-
Net carrying amount	**4 520 131**	**1 198 520**
Mortgage loans		
Maturing within 3 months	27 346	
Maturing within 3 - 12 months	100 604	
Maturing 1- 5 years	126 665	
Maturing over 5 years	337 512	
Gross carrying amount	592 127	-
Specific impairment	-	-
Net carrying amount	592 127	-
Total Net carrying amount	**15 075 120**	**13 812 780**

5 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

5.1 Loans and advances maturities (continued)

The maturity analysis of loans and advances is based on the remaining period to contractual maturity from year end. The amount pledged as security by customers to Getbucks as at 30 June 2017 stood at US$6 001 928 (2016:US$2 988 000). Collateral comprises cession of book debts and mortgage bonds for SME loans (note 29.1).

5.2 Irrecoverable commitments

There are no irrevocable commitments to extend credit, which can expose the Company to penalties or expense.

	2017 US$	2017 %	2016 US$	2016 %
5.3 Sectoral analysis				
Consumer loans	10 554 989	70%	12 614 260	91%
Small and Medium Enterprises ("SME")	4 520 131	30%	1 198 520	9%
	15 075 120	100%	13 812 780	100%

Consumer Loans: relates to deduction at source based loans to civil servants and public sector employee lending.
SME: relates to loans and advances to small and medium enterprises.

	Single highest customer loan 2017 %	Single highest customer loan 2016 %	Top 10 highest loan 2017 %	Top 10 highest loan 2016 %
Customer concentration				
SME	6.0	29.2	46.9	52.0
Consumer	0.05	0.04	0.47	0.4

5.4 Analysis of Credit Quality by Sector

Pass relates to loans graded 1-3 - performing
Special Mention relates to loans graded 4 -7 past due
Substandard relates to loans graded 8 - past due
Doubtful relates to loans graded 9 - past due
Loss relates to loans in grade 10 - past due

	Pass US$	Special Mention US$	Sub-Standard US$	Doubtful US$	Loss US$	Total US$
As at 30 June 2016						
Consumer	12 572 249	162 883	288 897	162 496	-	13 186 525
SME	1 198 520	-	-	-	-	1 198 520
	13 770 769	162 883	288 897	162 496	-	14 385 045
As at 30 June 2017						
Consumer	10 872 553	52 117	35 831	41 417	531 345	11 533 262
SME	3 298 384	413 843	338 358	33 447	485 326	4 569 358
	14 170 937	**465 960**	**374 189**	**74 864**	**1 016 671**	**16 102620**

	2017			2016		
	SME US$	Consumer US$	Total US$	SME US$	Consumer US$	Total US$
Performing Loans	3 298 384	10 872 553	14 170 937	1 198 520	12 572 249	13 770 769
Past due and unimpaired	1 067 577	-	1 067 577	-	-	-
Past due and impaired	203 398	660 710	864 108	-	614 276	614 276
	4 569 359	**11 533 263**	**16 102 622**	**1 198 520**	**13 186 525**	**14 385 045**

5.5 Exposure to credit risk

	2017 US$	2016 US$
5.5 Exposure to credit risk		
Individually impaired		
Grade 8 - 10	857 063	369 104
Grade 4 - 7	122 979	720 543
Collectively impaired		
Grade 1- 3	10 553 221	12 096 878
Gross carrying amount	11 533 263	13 186 525
Less credit impairment allowance (note 5.6)	978 274	572 265
Carrying amount	**10 554 989**	**12 614 260**
SME loans		
Past due and impaired		
Grade 8 - 10	857 131	-
Grade 4 - 7	413 843	-
Grade 1- 3	3 298 384	1 198 520
Gross carrying amount	4 569 358	1 198 520
Less credit impairment allowance (note 5.6)	49 227	-
Carrying amount	4 520 131	1 198 520
Gross carrying amount SME and Consumer Loans	16 102 621	14 385 045
Impairment	1 027 501	572 265
Net carrying amount	**15 075 120**	**13 812 780**
Impairment as a percentage of gross loans and advances	6.4%	4.0%

Amounts disclosed above as past due and impaired are the total amounts with a loan class where a portion of the loans and advances are considered impaired.

Not all past due amounts have been fully provided as there is a history of repayment in those classes that has been considered in determining possible impairment.

5.6 Impairment loss on loans and advances

	Specific Allowance US$	Portfolio Allowance US$	Total Allowance US$
Balances as at 1 July 2015	172 756	273 430	446 186
Increase in impairment Allowance	(172 756)	1 127 357	954 601
Loans written off	-	(828 522)	(828 522)
Balances as at 30 June 2016	**-**	**572 265**	**572 265**
Balances as at 1 July 2016	-	572 265	572 265
Increase in impairment Allowance	49 227	950 460	999 687
Loans written off	-	(544 451)	(544 451)
Balances as at 30 June 2017	**49 227**	**978 274**	**1 027 501**

All loans and advances are denominated in US$.
Refer to note 3.2 and 29.1 for details on provision calculation methodology.
Provisioning according to the Reserve Bank of Zimbabwe classification system would have been US$814 053.

GetBucks Microfinance Bank

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Notes to the Financial Statements (continued)

For the year ended 30 June 2017

5 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

5.7 Credit risk impact

The table below lists the key risks affecting impairment of loans and advances, along with the anticipated impact on profit or loss should the risk materialise:

	2017 US$	2016 US$
Effect of increase in emergence period by 1 month		
Increase in provision (consumer)	5 549	306
Effect of increase in loss ratio by % of portfolio		
Increase in provision by 5% (consumer)	48 914	43 555
Increase in provision by 5% (SME)	2 461	-

6 LOANS TO SHAREHOLDERS

	2017 US$	2016 US$
Brainworks Capital Management (Private) Limited	2 496 666	2 623 191
The loan is secured, bears interest at 18% per annum and interest and capital are repayable by 30 September 2017. The loan is secured by shares on the Zimbabwe Stock exchange listed counters valued at US$3,4 mill based on market values as at 30 June 2017. Some of the shares have been used as collateral to secure the NMB and TLG facilities in note 12.		
Brainworks Capital Equity Management (Private) Limited	555 102	-
The loan is secured, bears interest at 18% per annum and interest and capital are repayable by 30 September 2017. The loan is secured by shares on the Zimbabwe Stock exchange listed counters valued at US$3,4 mill based on market values as at 30 June 2017.		
Current assets (no more than 12 months after the reporting period)	3 051 768	2 623 191
Non-current (no more than 12 months after the reporting period)	-	-
	3 051 768	2 623 191

Refer note 23 for loan movement

7 OTHER ASSETS

	2017 US$	2016 US$
Prepayments	312 012	189 924
Tax receivable	231 897	214 564
Deposits	24 421	24 018
Sundry receivables	106 386	24 435
	674 716	452 941

Other assets are all current and their carrying amounts approximate their fair values

8 DEFERRED TAX

	2017 US$	2016 US$
Deferred tax liability		
Accelerated capital allowance for tax purposes	(5 359)	(2 753)
Prepayments	(167 975)	(161 614)
Total deferred tax liability	(173 334)	(164 367)
Deferred tax asset	-	-
Share Options	10 864	-
Impairment of loans and advances	243 901	147 358
Net deferred tax asset/(liability)	**81 431**	**(17 009)**
Reconciliation of deferred tax asset/(liability)		
At beginning of year	(17 009)	66 374
Temporary differences recognised in the statement of comprehensive income	98 440	(83 383)
At end of year	**81 431**	**(17 009)**

9 INTANGIBLE ASSETS

	2017 US$	2016 US$
Software		
Opening net book amount	13 466	786
Additions	90 150	16 775
Amortisation charge	(17 834)	(4 095)
Closing net book amount	**85 782**	**13 466**
Cost	110 584	20 434
Accumulated Depreciation	(24 802)	(6 968)
Net book amount	**85 782**	**13 466**

10 EQUIPMENT

	Furniture and fittings US$	Motor vehicles US$	Office equip-ment US$	IT equip ment US$	Leasehold Improve-ments US$	Total US$
Year ended 30 June 2016						
Opening net book amount	34 632	102 023	13 331	16 657	29 840	196 483
Additions	57 252	15 985	13 035	45 495	72 935	204 702
Depreciation charge	(14 691)	(30 341)	(5 719)	(17 639)	(61 667)	(130 057)
Closing net book amount	**77 193**	**87 667**	**20 647**	**44 513**	**41 108**	**271 128**
Cost	115 003	155 492	32 537	86 780	173 244	563 056
Accumulated depreciation	(37 810)	(67 825)	(11 890)	(42 267)	(132 136)	(291 928)
Net book amount	**77 193**	**87 667**	**20 647**	**44 513**	**41 108**	**271 128**
Year ended 30 June 2017						
Opening net book amount	77 193	87 667	20 647	44 513	41 108	271 128
Additions	39 352	-	5 671	54 092	1 173	100 288
Depreciation charge	(22 871)	(31 061)	(6 759)	(29 949)	(35 325)	(125 965)
Closing net book amount	**93 674**	**56 606**	**19 559**	**68 656**	**6 956**	**245 451**
Cost	154 355	155 492	38 208	140 873	174 417	663 345
Accumulated depreciation	(60 681)	(98 886)	(18 649)	(72 217)	(167 461)	(417 894)
Net book amount	**93 674**	**56 606**	**19 559**	**68 656**	**6 956**	**245 451**

11 SHARE CAPITAL

	2017 US$	2016 US$
Authorised		
20 000 000 000 ordinary shares with a nominal value of US$0.0000001	2 000	2 000
Issued		
1 093 567 251 ordinary shares with a nominal value of US$0.0000001 (2015:100)	109	109
Basic earnings	3 635 528	3 014 256
Diluted earnings	3 635 528	3 014 256
Number of shares used to calculate basic and diluted earnings per share	1 093 567 251	1 093 567 251
Earnings per share (cents)	0.33	0.28
Diluted earnings per share (cents)	0.33	0.28

Number of shares in issue

A share split of authorised share capital was done on 12 October 2015. 2000 ordinary shares were split into 20 000 000 000 (twenty billion shares). The share split resulted in the issued share capital being 1 000 000 000 shares in October 2015 and following an initial public offering in January 2016 the number of shares in issue increase to 1 093 567 251

Initial Public Offering

On the 15th of January 2016 the company was successfully listed on the Zimbabwe Stock Exchange following a fully underwritten initial public offer (IPO) that offered to the public 93 567 251 shares for sale. Total shares in issue after the offer were 1 093 567 251. Gross proceeds were $3 199 991 and net proceeds after issuing costs were $2 883 628. The shares with a nominal value of $0.0000001 per share were issued at $0.0342 per share giving rise to the current year share premium of US$2 883 628. Share issue costs of $313 363 directly attributable to the IPO were deducted from the share premium.

Unissued share capital

The unissued share capital is under the control of the Directors subject to restrictions imposed by the Zimbabwe Companies Act.

Share application reserve fund and share premium

Share Application Reserve represents additional capital paid in by shareholders (note 2.9). Share Premium arose from premium paid on ordinary shares for the Initial Public Offer.

Other Reserves

This relates to a reserve used to recognise the value of equity settled share based payment transactions provided to employees as part of their remuneration. Refer to note 27.

12 BORROWINGS

	2017 US$	2016 US$
Held at amortised cost		
Medium Term Listed Bonds	5 492 157	-
This liability consists of Listed Medium Term Bonds that were listed on 26 April 2017. Interest is charged at 11% per annum and paid monthly. The notes are repayable at various dates up to November 2019.		
Promissory Notes	-	5 215 911
The liability consisted on various promissory notes with interest at 11% per annum and paid monthly. The loans were convertes into medium term notes in April 2017.		
TLG Capital	22 114	2 500 000
The loan is secured with a bank guarantee using shares (note 6), bears interest at 11% per annum and is repayable in quarterly payments relating to interest and fees raised.		
NMB Bank Limited		
The liability consists of a term loan that accrues interest at 14% per annum paid monthly	-	500 000
The loan is secured by a bank guarantee of $2 500 000 (note 6). The loan is repayable in July 2017 The following covenants apply Portfolio at risk (PAR) < 10% Non-performing loans (NPL) < 10% Cost to Income ratio < 60% Capital adequacy ratio > 15%	5 514 271	8 215 911
Non-current liabilities (more than 12 months after reporting period)		
At amortised cost	5 514 271	2 500 000
Current liabilities (more than 12 months after reporting period)		
At amortised cost	-	5 715 911
	5 514 271	**8 215 911**
The Company was in compliance with all covenants during the financial period.		
Fair value of other financial liabilities		
Borrowings carrying amount approximates the fair values.		
Borrowings movement		
Balance at 1 July	8 215 911	7 074 160
Proceeds/(repayments)	(2 700 000)	1 103 017
Interest capitalised/(paid)	(1 640)	38 734
Closing balance	**5 514 271**	**8 215 911**

13 OTHER FINANCIAL LIABILITIES

	2017 US$	2016 US$
Accruals and other liabilities	912 031	544 745
Management fees	-	225 000
Statutory fees	671 519	463 688
	1 583 550	**1 233 433**

Fair value of other payables

Other payables carrying amounts approximates the fair value due to the short term nature of the payables. The carrying amounts of all trade and other payables are denominated in US$.

14 DEPOSITS FROM CUSTOMERS

	2017 US$	2016 US$
Deposits from customers are primarily composed of amounts payable on demand		
Individual		
Current accounts	95 267	19 050
Term deposits	578	-
	95 845	19 050
Small and medium enterprises		
Current accounts	1 225 991	462 557
Term deposits	209 588	176 281
	1 435 579	638 838
Total	**1 531 424**	**657 888**
Current (no more than 12 months after reporting period)	1 321 258	580 053
Non-current (more than 12 months after reporting period)	210 166	77 835
Total	**1 531 424**	**657 888**

Deposits due to customers only include financial instruments classified as liabilities at amortised cost.
Fair value of deposits approximates carrying amounts.

	2017 US$	2016 US$
15 INTEREST INCOME		
Interest income on loans and advances to customers	9 372 196	7 846 020
16 INTEREST EXPENSE		
Interest on loans and payables	757 561	922 750
Interest on deposits	9 407	2 407
	766 968	**925 157**
17 FEE AND COMMISSION INCOME		
Administration fees	4 057 032	4 085 900
Commission on insurance	93 375	78 783
	4 150 407	**4 164 683**

18 OPERATING EXPENSES

	2017 US$	2016 US$
Accommodation	8 389	39 120
Advertising, marketing and sales expenses	882 006	591 864
Bank charges	67 933	62 457
Collection costs	638 098	501 235
Consulting and professional fees	140 570	68 417
Depreciation and amortisation	143 799	134 152
Staff costs and directors remuneration	1 826 624	1 333 612
Funding origination costs	366 797	404 182
Lease rentals on operating lease	176 109	132 841
License fees	76 251	18 314
Management fees	2 070 000	2 218 688
Repairs and maintenance	35 164	31 250
Postage and courier	17 162	11 974
Printing and stationery	69 982	60 110
Staff welfare and refreshments	24 837	22 495
Telephone and fax	84 491	59 436
Travel	44 710	119 136
Insurance expenses	25 792	5 886
Other expenses	160 763	106 070
	6 859 477	**5 921 239**

19 TAXATION EXPENSE

Major components of the tax expense		
Current		
Local income tax - current period	1 380 064	1 112 069
Deferred		
Deferred tax	(119 121)	83 381
	1 260 943	1 195 450
Reconciliation between accounting profit and tax expense:		
Accounting profit before tax	4 896 466	4 209 706
Tax at the applicable tax rate of 25.75% (2015 : 25.75%)	1 260 840	1 083 999
Tax effect of adjustments on taxable income		
Capital allowances	(39 921)	(29 942)
Expenses not deductible	40 024	141 393
	1 260 943	**1 195 450**

20 AUDITORS' REMUNERATION

Fees	75 900	45 000
Tax and secretarial services	-	-
	75 900	**45 000**

21 CASH GENERATED FROM/(USED IN) OPERATIONS

	2017 US$	2016 US$
Profit before income tax	4 891 471	4 209 706
Adjustments for:		
Depreciation and amortisation	143 799	134 152
Net impairment	455 235	124 501
Finance costs	766 968	925 157
Other income	42 190	(307 533)
Changes in working capital:		
Loans and advances to customers	(1 717 602)	(2 338 381)
Other assets	(283 556)	370 283
Increase in deposits from customers	873 536	657 888
Other financial liabilities	367 477	343 170
	5 544 518	**4 118 943**

22 TAX PAID

Balance at beginning of the year	214 564	(92 874)
Current tax for the year recognised in profit or loss	(1 380 062)	(1 112 067)
Balance at end of the year	(231 897)	(214 564)
	(1 397 395)	**(1 419 505)**

23 AMOUNTS DUE (FROM)/TO SHAREHOLDERS LOAN

Opening balance	2 623 191	77 839
Payments to shareholders	-	2 858 000
Proceeds from shareholders loan	-	(500 000)
Net interest charge	428 577	187 352
Amount due from shareholders	**3 051 768**	**2 623 191**

GetBucks
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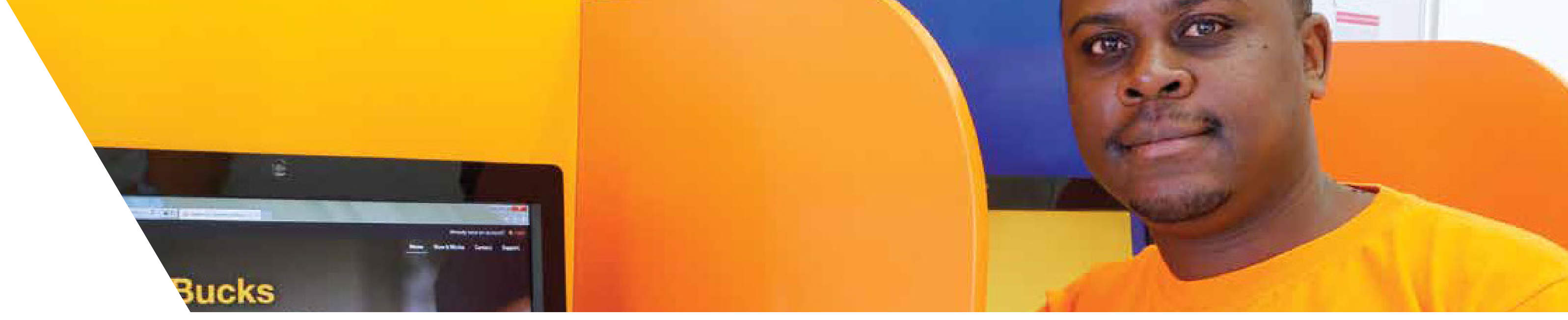

GETBUCKS MICROFINANCE BANK LIMITED (FORMERLY GETBUCKS FINANCIAL SERVICES LIMITED) AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Notes to the Financial Statements (continued)

For the year ended 30 June 2017

24 OPERATING LEASES

	2017 US$	2016 US$
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	179 726	193 058

Operating lease payments represent rental payable for a number of branches and office premises occupied by the company. The lease agreements have terms up to a year. No contingent rent is payable.

25 OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Executive Committee (chief operating decision maker) which is responsible for allocating resources to the reportable segments and assesses its performance. The consumer loans and SME department are the only operating segment that meets the definition of a reportable segment. The consumer loans and SME Segments have been identified on the basis of their contribution to total assets of the operating segments. All revenue is derived from customers in Zimbabwe. The consumer loan segment offers payroll based loans to employed individuals whereas the SME department offers loans to Small and Medium Enterprises.

	Consumer US$	SME US$	Other US$	Total US$
Third party income	11 955 528	1 129 705	437 370	13 522 603
Impairment losses on loans and advances	(978 274	(49 227)	-	(1 027 501)
Net operating income	**10 977 254**	**1 080 478**	**437 370**	**12 495 102**
Interest income	8 472 031	900 165	-	9 372 196
Interest expense	-	-	(766 968)	(766 968)
Net interest income	**8 472 031**	**900 165**	**(766 768)**	**8 605 228**
Fees and Commission Income	3 920 867	229 540	-	4 150 407
Depreciation of equipment	-	-	143 799	143 799
Amortisation of intangible assets	-	-	-	-
Segment profit before tax	4 329 041	409 061	158 379	4 896 471
Income tax expense	-	-	(1 260 943)	(1 260 943)
Profit/(loss) for the Year	**4 329 041**	**409 061**	**(1 102 573)**	**3 635 528**

As at 30 June 2016 the bank's operating segments did not meet the quantitave criteria for reportable segments.

26 RELATED PARTIES

26.1 Relationships

Holding company	MyBucks SA (Luxembourg)
Intermediate holding company	GetBucks Limited (Mauritius)
Shareholder	Brainworks Capital Management (Private) Limited
Fellow subsidiaries	GetBucks (Proprietary) Limited (Botswana)
	BU Bucks (Proprietary) Limited
	CashCorp (Proprietary) Limited
	TU Loans (Proprietary) Limited
	GetBucks Limited (Malawi)
	EMU-INYA Enterprises :Limited Kenya
	GetSure Botswana (Proprietary) Limited (Botswana)
	GetBucks Invest GmbH (Austria)
	GetBucks Spain SL
	GetBucks Poland SP z.o.o.
	GetBucks Financial Services Limited (Zambia)
	Ligagu Investments (Proprietary) Limited (Swaziland)
Entities under common control	GetBucks (Proprietary) Limited (South Africa)
	VSS Financial Services (Proprietary) Limited (South Africa)
	GetSure (Proprietary) Limited South Africa
	Brainworks Private Equity Managers (Private) Limited

	2017 US$	2016 US$
26.2 Related party balances		
Loan accounts - Owing by related parties		
Brainworks Private Equity Managers	555 102	-
Brainworks Capital Management (Private) Limited (note 6)	2 496 666	2 623 191
Related party receivables		
GetBucks Limited	102 365	-
26.3 Related party transactions		
Interest paid to/(earned from) related parties		
GetBucks Limited (Mauritius)	-	-
Brainworks Private Equity Managers (Private) Limited	-	-
Brainworks Capital Management (Private) Limited	(436 578)	(187 351)
	(436 578)	(187 351)
Management fees paid to/(received from) related parties		
GetBucks Limited (Mauritius)	2 070 000	2 218 688

Management fees are paid monthly. The fees relate to costs incurred for systems used in lending, collections and core banking infrastructure plus ongoing management support from the group.

26.4 Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include the Managing Director, Operations Director, Chief Finance Officer, Head of Risk, Head of Retail, Head of Internal Audit, Head of SME , Head of Treasury and Head of Information Technology.

	2017 US$	2016 US$
Short term employment benefits	676 426	441 202
Post employment benefits	13 115	5 472
Termination benefits	-	-
	689 541	**446 674**

27 EMPLOYEE BENEFITS

a) Pension Fund

All eligible employees contribute to GetBucks pension fund which is a defined contribution pension fund. The Company has no legal or constructive obligation to pay should fund assets be insufficient to meet fund obligations. Contributions to the pension fund are expensed as part of staff costs.

All employees are members of the National Social Security Authority Scheme (NSSA), to which both the Company and the employees contribute. Contributions by the employer are charged to profit and loss.

27 EMPLOYEE BENEFITS (CONTINUED)

a) Pension Fund (continued)

	2017 US$	2016 US$
Pension expense	29 117	16 383
NSSA expense	11 123	8 732
	40 240	25 115

b) During the period ended 30 June 2017, Mybucks S.A. granted employees the following equity settled share-based payment arrangements:

Performance based employee share option plan

Date share option plan was adopted	1 May 2016	1 May 2017	1 May 2018	Total
Number of options granted	6 000	4 500	4 500	15 000
Contractual life	5 Years	5 Years	5 Years	
Exercisable until	30-Apr-21	30-Apr-21	30-Apr-21	
Vesting date	30-Apr-17	30-Apr-17	30-Apr-17	
Total number of options granted				15 000

The estimated fair value of each share option granted in the performance based share option plan is EUR 3,6263. This was calculated by applying the Black Scholes Model. The model inputs were the share value of EUR 10.13 at grant date, the exercise price of EUR 9.00, the expected volatility of 37%, no expected dividends, a contractual life of five years and a risk-free interest rate of -0.29%.

Further details of the option plans are as follows:

	30 June 2017	30 June 2016
Outstanding at start of year		
Granted	15 000	15 000
Forfeited	-	-
Exercised	-	-
Outstanding at end of year	15 000	15 000
Exercisable at end of year	6 000	-

28 DIRECTORS' EMOLUMENTS

	2017 US$	2016 US$
No emoluments were paid to the directors or any individuals holding a prescribed office during the previous year.		
Non-executive		
Directors' fees for services as directors	78 700	72 456

29 RISK MANAGEMENT

Financial risk management

The Company's activities expose it to a number of financial risks. Taking risk is core to a financial services business and the company aims to achieve a balance between risk and return. The risk management policies are designed to identify, analyse these risk and set limits and controls and monitor the risk using up to date information systems. Risk management is carried out by management using board approved policies. The most important types of risks are credit, liquidity and market risk. Market risk includes currency and interest rate risk. Management is responsible for identifying, monitoring and mitigating financial risks faced by the company. The Group Board assists in ensuring compliance with these policies.

29.1 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 loans and advances to customers. For risk management purposes, the company considers and consolidates all elements of credit risk exposure such as individual obligor default employer and default risk. Credit risk and exposure to loss are inherent parts of the Company's business stemming from cash and cash equivalents (note 4) and loans and advances to customers and shareholders (note 5 and 6)

The provision of unsecured loans to individuals and business is the main activity of the company, hence exposure to credit risk and its management are key considerations of the business. Customer credit risk is mitigated by the utilisation of payroll collection models for unsecured individual loans which ensures that the loans are collectable during their tenure, and collateral security for SME loans.

The Board Credit Committee periodically reviews and approves the Company's policies and procedures to define, measure and monitor the credit and settlement risks arising from the Company's activities. Limits are established to control these risks. Any facility exceeding established limits of management must be approved by the Board Credit Committee. Management evaluates the credit exposure and ensures ongoing credit quality by reviewing individual loans and monitoring of any corrective action taken to address credit risk. These policies are contained in the Credit Policy.

The Company's Credit Department periodically prepares detailed reports on the quality of the customers and adequacy of loan impairment allowance for review. Any loan or portion thereof which is classified as a 'loss' is written off. To maintain an adequate allowance for credit losses, the Company generally provides for a loan or a portion thereof, when a loss is probable.

The objective of our credit risk management is to ensure that credit is granted to credit worthy clients so as to result in recovery of loans following disbursements.

The Company also has a Board Credit and Loans Review committees chaired by non-executive directors to monitor the risk using information prepared by management as detailed in this note 29.1 and recommending corrective action to management where necessary. This committee meets quarterly and reports to the Board of Directors.

The Company mainly provides loans to gainfully employed individuals that work for companies and mostly the public service that have concluded a deduction agreement. In terms of the agreement the employer deducts loan instalments from customers salaries based on pre-agreed terms. This mitigates the risk of default on consumer loans.

Credit policies, procedures and limits

The Company has sound and well-defined policies, procedures and limits which are reviewed and approved by the Board of Directors and strictly implemented by management. Credit risk limits include delegated approval and write-off limits for management and Board Credit Committee, individual account limits and concentration. During the year the minimum loan granted and limits were US$50 (2016:US$50) and the maximum was US$350 000 (2016: US$350 000) for up to 120 months (2016:18 months).

To ensure that the Company only lends to credit worthy customers, before loans are disbursed checks are conducted to verify identity, employment status and affordability of loan products being applied for. Where possible external credit checks are conducted. Similar checks are conducted for SME's and where deemed necessary collateral or credit insurance is obtained to mitigate risk of default.

Credit risk mitigation and hedging

As part of the Company's credit risk mitigation and hedging strategy, various types of collateral is taken by the Company.

These include mortgage bonds over residential, commercial and industrial properties, cession of book debts and the underlying moveable assets financed.

Collateral held for exposure

An estimate of the fair value of collateral and other credit enhancements held against loans and advances to customers are shown below;

29 RISK MANAGEMENT (CONTINUED)

29.1 Credit risk (continued)

	2017 US$	2016 US$
Value of collateral	6 001 928	2 988 000

Maximum Exposure to credit risk without taking into account collateral

Collateral comprises cession of book debts US$919 928 (2016:US$2 500 000) and mortgage bonds US$5 082 000 (2016:US$ 488 000) on SME loans that amount to US$4 285 123. Credit risk on uncollateralised loans is managed by lending to SME's with verified receivables and through the use of credit insurance policies.

Customer credit risk is mitigated by the utilisation of payroll collection models. Employment of customers by vetted employers recovers the group loan instalment directly from the customer's salary.

In addition all consumer loans granted to customers are covered by credit life insurance that pays the company in case of death or permanent disability of the customer.

Impaired loans and securities

Impaired loans and securities are those for which the Company determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Past due but not impaired loans

These are loans and securities where contractual interest or principal payments are past due but the Company believes that impairment is not appropriate on the basis of the present value of security/collateral available and/or the stage of collection of amounts owed to the Company.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Company has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring. There were no renegotiated loans and advances to customers during the year (2016: nil)

Allowances for impairment

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Other considerations to provisioning policy

The Company, though not required by Reserve Bank of Zimbabwe ("RBZ"), considers the provisioning requirements as set out in the Banking Regulation 2000 in order to align its policies to group accounting policies, and the provisions of International Accounting Standard ("IAS 39") – "Financial instruments: recognition and measurement" and makes the most prudent provision for its loans and advances based on the two methods. Where the regulatory provisions are higher than those required by the IAS 39 impairment losses, the excess is treated as an appropriation to a reserve.

Impairment and provisioning policies

In measuring credit risk of loans and advances the Bank reflects three components;
(i) the probability of default by the client or counterparty on its contractual obligations (PD);
(ii) current exposures to the counterparty (EAD); and
(iii) the likely loss in the event of a default (LGD).
Internal estimate of PDs and LGDs are based on model scores and observed historical data

Under IFRS impairment allowances are recognised where there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition of the assets and where these events had an impact on estimated future cash flows of the financial assets or portfolio of financial assets. To determine if a loss event has occurred, historical economic information similar to the current economic climate, overall customer risk profile, payment record and the realisable value of any collateral are taken into consideration.

Unidentified impairment

Unidentified impairment allowances are raised to cover losses which are judged to be incurred but not yet specifically identified in customer exposures at the balance sheet date, and which have not been specifically reported. The calculation is based on the asset's probability of moving from performing to default within a given emergence period.

The emergence period is defined as the time lapse between the occurrence of trigger event (unidentified event) 'and the impairment being identified at an individual account level (identified impairment)
Unidentified impairment = Probability of Default (PD) x Loss Given Default (LGD) x Exposure

Identified impairment

Consumer loan identified impairment is triggered when a contractual payment is missed. The impairment is calculated as Probability of Default (PD) x Loss Given Default (LGD) x Outstanding Amount. Higher PDs are applied to those customers who will have missed more contractual payments.

SME identified impairment is calculated on an individual basis and is the difference between outstanding balance and present value of future cash flows including value of any collateral. In identifying impairment the company takes into account many factors including period of default and reasons for default.

Credit Risk Concentration

	Total US$	Past due/ impaired US$	Write offs US$	Impairment allowance US$
As at 30 June 2017				
Retail	1 939 606	-	-	37 117
Consumer	12 827 485	980 042	544 451	950 460
Construction	352 594	-	-	-
Agriculture	739 089	-	-	3 577
Other	243 847	-	-	8 533
	16 102 621	980 042	544 451	999 687
As at 30 June 2016				
Retail	553 269	-	-	-
Consumer	13 262 094	1 089 674	828 522	126 079
Services	43 291	-	-	-
Health	24 658	-	-	-
Agriculture	500 682	-	-	-
Other	1 051	-	-	-
				-
	14 385 045	**1 089 674**	**828 522**	**126 079**

Also refer to note 5.3 for concentration information on loans

Write-off policy

The Company writes off a loan/security balance (and any related allowances for impairment losses) when the Credit Department determines that the loans/ securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, write off decisions are generally based on a product specific past due status.

The Company holds collateral against loans and advances to customers in the form of mortgage interest over property, other registered securities over assets, charges against receivables and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

29.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises when assets and liabilities have differing maturities.

Directors: G. Madzima (Chairman), M. Muchando-Murevesi* (Managing Director), G.T. Fourie* (Operations Director), W.T. Kambwanji, G. Manyere, R. Mbire, D.Van Niekerk, M. Manjengwah, P. Saungweme. *Executive.
Registered Office: Ground Floor, MIPF House. 5 Central Avenue, Harare, Zimbabwe.

GETBUCKS MICROFINANCE BANK LIMITED (FORMERLY GETBUCKS FINANCIAL SERVICES LIMITED) AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Notes to the Financial Statements (continued)

For the year ended 30 June 2017

29 RISK MANAGEMENT (CONTINUED)

29.2 Liquidity risk (continued)

The liquidity risk is managed by the Management Assets and Liabilities Committee ("ALCO") of the Company which reviews the Company's liquidity profile by monitoring the difference in maturities between assets and liabilities and analysing the future level of funds required based on various assumptions, including its ability to liquidate investments and participate in money markets.

Assumptions used take into account loan collections, loan maturities, and operational costs. The company's liquidity as a lending institution is dependent on the ability to collect instalments from advances made to customers. In case of shocks, delays or inability to collect instalments the company relies on loan facilities from other financial institutions to ensure that it can meet its obligations.

The table below analyses the Company's non-derivative financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Gap analyses are used to determine any periods of liquidity mismatch in order to take any necessary action in advance.

The amounts disclosed in the table are the contractual undiscounted cash flows:

Liquidity profiling as at 30 June 2017

	0-1 month US$	1-3 months US$	3-6 months US$	6-12 months US$	1-5 years US$	Total US$
Assets						
Cash and cash equivalents	2 890 378	-	-	-	-	2 890 378
Loan book	2 497 913	4 601 504	5 621 878	5 207 273	3 039 356	20 967 924
Loans to shareholders	-	3 051 768	-	-	-	3 051 768
Other receivables	-	-	-	-	-	-
	5 388 291	**7 653 272**	**5 621 878**	**5 207 273**	**3 039 356**	**26 910 070**
Liabilities						
Financial borrowings	49 887	103 100	151 325	300 987	6 275 865	6 881 164
Deposits from customers	1 321 258	-	-	-	234 396	1 555 654
Trade payables	1 610 015	-	-	-	-	1 610 015
	2 981 160	**103 100**	**151 325**	**300 987**	**6 510 261**	**10 046 833**
Asset and liability gap	**2 407 131**	**7 550 172**	**5 470 553**	**4 906 286**	**(3 470 905)**	**16 863 237**
Cumulative gap	**2 407 131**	**9 957 303**	**15 427 856**	**20 334 142**	**16 863 237**	

Liquidity profiling as at 30 June 2017

	0-1 month US$	1-3 months US$	3-6 months US$	6-12 months US$	1-5 years US$	Total US$
Assets						
Cash and cash equivalents	3 370 560	-	-	-	-	3 370 560
Loan book	5 224 091	3 789 342	5 320 530	5 531 400	792 369	20 657 732
Loans to shareholders	-	-	2 859 278	-	-	2 859 278
Other receivables	238 377	-	-	-	-	238 377
	8 833 028	3 789 342	8 179 808	5 531 400	792 369	27 125 947
Liabilities						
Financial borrowings	837 010	165 360	213 708	5 352 815	3 195 140	9 764 033
Deposits from customers	430 459	-	-	98 446	128 983	657 888
Trade payables	1 200 230	-	-	-	-	1 200 230
	2 467 699	**165 360**	**213 708**	**5 451 261**	**3 324 123**	**11 622 151**
Asset and liability gap	**6 365 329**	**3 623 982**	**7 966 100**	**80 139**	**(2 531 754)**	**15 503 796**
Cumulative gap	**6 365 329**	**9 989 311**	**17 955 411**	**18 035 550**	**15 503 796**	

29.3 Market risk

The risk of a change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange rates and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of the above.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of financial instrument will fluctuate because of changes in market interest rates.

The company's main interest rate risk arises from long-term borrowings which are issued at fixed rates. These expose the group to cash flow interest rate risk which is partially offset by having a short term portfolio as the main asset in the company.

The table below indicates all interest bearing financial borrowings and all interest bearing financial assets (excluding cash and cash equivalents, other receivables and payables) at fixed rates.

	2017 US$	2016 US$
Fixed interest bearing assets	18 126 888	16 435 971
Fixed interest bearing borrowings	5 514 271	8 215 911

This risk is managed by the Company's Asset and Liabilities Committee ("ALCO") through the analysis of rate sensitive assets and liabilities, using such models as Scenario Analysis and control and management of the identified gaps.

Scenario analysis of net interest income

The Company's loan book is affected by interest rate movements on net interest income. The desired interest rate risk profile is achieved through effective management of the statement of financial position composition. When analysing the impact of a shift in the yield curve on the Company's interest income, the Company recognizes that the sensitivity of changes in the interest rate environment varies by asset and liability class. Scenarios are defined by the magnitude of the yield curve shift assumed. Analysis of the various scenarios is then conducted to give an appreciation of the distribution of future net interest income and economic value of equity as well as their respective expected values.

	30 June 2017 US$	Effect on profit before tax 30 June 2017 US$	30 June 2016 US$	Effect on profit before tax 30 June 2016 US$
Interest rate change				
1% increase/ decrease				
Assets	18 126 888	93 722	16 435 971	78 460
Liabilities	5 514 271	(7 670)	8 215 911	(9 252)
Net effect		**86 052**		**69 208**

29 RISK MANAGEMENT AND CONTROL (CONTINUED)

29.3 Market risk (continued)

The table below shows the interest rate repricing gap analysis;

Interest rate repricing gap analysis

	Up to 3 months US$	3 months to 1 year US$	Over 1 year US$	Total US$
As at 30 June 2017				
Assets				
Cash and cash equivalents	3 370 560	-	-	3 370 560
Loans and advances to customers	6 119 426	7 825 094	1 481 325	15 425 845
Amounts due from shareholders	-	2 496 666	-	2 496 666
	9 489 986	**10 321 760**	**1 481 325**	**21 293 071**
Liabilities				
Deposits from customers	1 321 258	-	234 396	1 555 654
Borrowings	49 887	-	5 464 384	5 514 271
	1 371 145	**-**	**5 698 780**	**7 069 925**
Interest rate repricing gap	8 118 841	10 321 760	(4 217 455)	14 223 146
Cumulative gap	**8 118 841**	**18 440 601**	**14 223 146**	**-**
As at 30 June 2016				
Assets				
Cash and cash equivalents	3 370 560	-	-	3 370 560
Loans and advances to customers	6 826 933	6 802 042	756 071	14 385 046
Amounts due from shareholders	-	2 623 191	-	2 623 191
	10 197 493	**9 425 233**	**756 071**	**20 378 797**
Liabilities				
Deposits from customers	430 459	98 446	128 983	657 888
Borrowings	1 365 714	4 350 197	2 500 000	8 215 911
	1 796 173	**4 448 643**	**2 628 983**	**8 873 799**
Interest rate repricing gap	8 401 320	4 976 590	(1 872 912)	11 504 998
Cumulative gap	**8 401 320**	**13 377 910**	**11 504 998**	**-**

29.4 Foreign currency risk

The Company operates locally and has no foreign customers, therefore has limited foreign currency risk.

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency.

As at year end, the Company was not exposed to foreign currency risk because all amounts were denominated in the United States of America dollar (the "functional currency").

29.5 Capital risk management

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:
- to comply with the capital requirements set by the banking regulators;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns
- for shareholders and benefits to customers and other stakeholders and;
- to maintain a strong capital base to support the development of its business.

The Company'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 impact of the level of capital on shareholders' return is also recognised and the Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Company's capital resources should therefore be adequate to absorb losses such as operating losses, and capital losses on investments. So long as net losses can be fully offset against capital invested by the Company's owners, the legal claims of clients or other creditors are not compromised, and the Company can continue to function without interrupting its operations.

The Company has complied with all externally imposed capital requirements throughout the period. There have been no material changes in the Company's management of capital during the period.

The Reserve Bank of Zimbabwe ("RBZ") regulates the minimum capital requirements of all microfinance lenders.

The shareholders' equity for the Company at year end of US$13 496 081, was in compliance with the RBZ's minimum capital requirement of US$5 000 000 by 31 December 2020.

Management determines capital requirements by analysing cash flow projections and taking into account growth and defined gearing ratios.

The gearing ratios is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents as shown in the statement of financial position.

Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

	2017 US$	2016 US$
Total borrowings		
Other financial borrowings	5 514 271	8 215 911
	5 514 271	8 215 911
Less: cash and cash equivalents	2 890 377	3 370 560
Net debt	2 623 894	4 845 351
Total equity	13 496 081	10 419 825
Total capital	16 119 976	15 265 176
Gearing ratio	**16%**	**32%**

Capital adequacy and the use of regulatory capital are monitored daily by the Company's management and the Directors employing techniques based on guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes. The Company's regulatory capital is managed by management and comprises two tiers;

- **Tier 1 Capital:** comprises contributed capital, accumulated profits, capital reserves (comprising share premium and share allocation reserves)
- **Tier 2 Capital:** comprises impairment allowance

Capital Adequacy

	30 June 2017 US$	30 June 2016 US$
Capital Adequacy		
Share capital	109	109
Share premium	2 883 628	2 883 628
Share application reserve	999 900	999 900
Accumulated profits	9 570 254	6 536 188
	13 453 891	10 419 825
Less: deductions		
Insider loans	3 324 529	2 623 191
Total core capital	10 129 362	7 796 634
Supplementary capital		
General provision allowance	202 232	572 265
Core capital plus supplementary	10 331 594	10 974 388
Net Capital Base	10 331 594	10 974 388
Risk Weighted Assets	38 683 657	16 391 396
Tier 1 Ratio	26%	63%
Tier 2 Ratio	27%	67%
Capital Adequacy Ratio	27%	67%

29 RISK MANAGEMENT AND CONTROL (CONTINUED)

29.5 Capital risk management (continued)

Credit risk capital

Credit risk capital is subject to guidelines provided by the regulator which are based on Basel 1 principles. On this approach the banking book exposures are categorised into broad classes of assets with different underlying risk characteristics. Risk components are transformed into risk weighted assets using predetermined exposure and loss probability factors. Capital requirements for credit risk are derived from the risk weighted assets.

Market Risk Capital

Market risk capital is assessed using regulatory guidelines which consider the risk characteristics of the different trading book assets. Risk components are transformed into risk weighted assets and, therefore, capital requirements, based on predetermined exposure and loss probability factors.

Operational Risk Capital

This is the risk of losses arising from inadequate or failed internal processes, people and/or systems or from external events. Practices to minimise operational risk are embedded across all transaction cycles. Departmental key risk indicators are used for the purpose of identifying major risks in the operating environment and methods of mitigating the risks. The Company employs the standardised approach to determine capital required to cover operational risk. Each function carries out a risk and control assessment of their processes on a regular basis. The assessment results are reviewed by the executive committee of the bank. Internal Audit audits selected functions at given times.

Total Capital

Total capital for the Company is assessed to be sufficient to support current business and planned capital projects. Growth in advances will continue to be pursued in such a way as to achieve economic asset yields.

30 COMPARATIVE FIGURES

Where necessary the comparative figures have been reclassified to conform to current year presentation to present the business more appropriately. There were no reclassification in the current year and prior year.

31 FAIR VALUE OF ASSETS AND LIABILITIES

IFRS 13 'Fair value measurement' requires an entity to classify its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below:

Quoted market prices - level 1

Assets and liabilities are classified as level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets of liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs - level 2

Assets and liabilities classified as level 2 have been valued using models whose inputs are observable in an active market either directly (that is, as prices) or indirectly (that is, derived from prices).

Valuation technique using significant and unobservable inputs - level 3

Assets and liabilities are classified as level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value of loans advanced to customers, lines of credit and amounts due to group companies approximate the carrying amount due to the short term nature of the financial assets and liabilities.

Financial instruments not at fair value

Fair Value Heirachy

	Level 1 US$	Level 2 US$	Level 3 US$	30 June US$
As at 30 June 2017				
Loans and advances to customers and shareholders	-	-	18 126 888	18 126 888
Other assets	-	-	674 716	674 716
Total	**-**	**-**	**18 801 604**	**18 801 604**
Other financial liabilities	-	-	1 583 550	1 583 550
Deposits from customers	-	-	1 531 424	1 531 424
Borrowings	-	-	5 514 271	5 514 271
Total	**-**	**-**	**8 629 245**	**8 629 245**
As at 30 June 2016				
Loans and advances to customers and shareholders	-	-	16 435 971	16 435 971
Other assets	-	-	452 941	452 941
Total	**-**	**-**	**16 888 912**	**16 888 912**
Other financial liabilities	-	-	1 233 433	1 233 433
Deposits from customers	-	-	657 888	657 888
Borrowings	-	-	8 215 911	8 215 911
Total	**-**	**-**	**10 107 232**	**10 107 232**

The fair values of other financial liabilities are based on cash flows discounted using rates based on the borrowing rate at which a third party would be lending. For loans from financial institutions the rate charged by these institutions has been applied to calculate their fair value. These loans are within level 3 of the hierarchy as the discount rates which take into account the company's credit risk are not based on obtainable market data due to the absence of such data.

32 BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

33 CONTINGENT LIABILITIES

There were no contingent liabilities as at as at 30 June 2017 (30 June 2016: US$nil)

34 CAPITAL COMMITMENTS

There were no authorised and contracted or authorised but uncontracted capital expenditure as at 30 June 2017.
(30 June 2016: US$nil)

35 EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date requiring adjustments to be effected on the financial statements or disclosure in the financial statements.