Caro Investment Holdings Limited

(Registration number 1782776)
Group Annual Financial Statements
for the year ended 31 December 2017

These group annual financial statements were prepared by:
U Jensen
Group Financial Accountant

Certified Master Auditors (South Africa) Incorporated
Chartered Accountants (SA)
Registered Auditors

Issued 28 March 2018

General Information

Country of incorporation and domicile	Virgin Islands (British)
Nature of business and principal activities	Investment holding
Directors	A Vassilopoulos GR Poole G Roussos CM Vining
Registered office	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110
Business address	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110
Postal address	PO Box 3540 Road Town Tortola British Virgin Islands VG1110
Holding company	Zeno Capital Limited incorporated in British Virgin Islands
Ultimate holding company	Supaluck Investments Proprietary Limited incorporated in South Africa
Bankers	Investec Bank
Auditors	Certified Master Auditors (South Africa) Incorporated Chartered Accountants (SA) Registered Auditors
Secretary	Totalserve Trust Company Limited
Company registration number	1782776
Preparer	The group annual financial statements were internally compiled by: U Jensen Group Financial Accountant
Issued	28 March 2018

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Preparer

U Jensen
Group Financial Accountant

Published

28 March 2018

Audit Committee Report

This report is provided by the audit committee appointed in respect of the 2017 financial year of Caro Investment Holdings Limited.

1. Members of the Audit Committee

The members of the audit committee include:

Name	Qualification
A Vassilopoulos	
G Roussos	CA(SA)

The committee is satisfied that the members thereof have the required knowledge and experience as set out in the BVI Business Companies Act, 2004.

2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by the BVI Business Companies Act, 2004 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

3. External auditor

The audit committee has nominated Certified Master Auditors (South Africa) Incorporated as the independent auditor and George Davias as the designated partner, who is a registered independent auditor, for appointment of the 2017 audit.

The committee satisfied itself through enquiry that the external auditors are independent as defined by the BVI Business Companies Act, 2004 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the BVI Business Companies Act, 2004 that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Group Annual Financial Statements

Following the review of the group annual financial statements the audit committee recommend board approval thereof.

5. Accounting practices and internal control

The audit committee has monitored the system of internal financial control established by the company and ensured that the directors have placed considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, an audit committee charter is in place setting out the committee's roles and responsibilities. These include:
- reviewing accounting, auditing and financial reporting matters;
- ensuring an effective control environment is maintained;
- assessing adherence to controls;
- monitoring proposed changes in accounting policies;
- advising the board on the accounting implications of major transactions;
- recommending the appointment of external auditors for approval;
- assessing adherence to controls and systems within the company;
- monitoring and appraising internal operating structures and systems to ensure that these are maintained;
- establishing guidelines for recommending the use of external auditors for non-audit services.

Audit Committee Report

6. Financial reporting framework

The audit committee approves that the reporting framework used to prepare the financial statements, being International Financial Reporting Standards, is appropriate.

On behalf of the audit committee

George Roussos
Chairman Audit Committee

Johannesburg

28 March 2018

Directors' Responsibilities and Approval

The directors are required in terms of the BVI Business Companies Act, 2004 to maintain adequate accounting records and are responsible for the content and integrity of the group annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the group annual financial statements.

The group annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2018 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's group annual financial statements. The group annual financial statements have been examined by the company's external auditors and their report is presented on pages 8 to 10.

The group annual financial statements set out on pages 11 to 30, which have been prepared on the going concern basis, were approved by the directors on 28 March 2018 and were signed on their behalf by:

Director	**Director**
Johannesburg	

28 March 2018

Directors' Report

The directors have pleasure in submitting their report on the group annual financial statements of Caro Investment Holdings Limited for the year ended 31 December 2017.

1. Review of financial results and activities

The group annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the BVI Business Companies Act, 2004. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these group annual financial statements.

2. Share capital

	2017	2016
Authorised	Number of shares	
Ordinary shares	100 000	100 000

	2017	2016	2017	2016
Issued	$	$	Number of shares	
Ordinary shares	40 000	40 000	40 000	40 000

There have been no changes to the authorised or issued share capital during the year under review.

3. Dividends

No dividends have been declared for the financial year ended 31 December 2017.

4. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality
A Vassilopoulos	South African
GR Poole	South African
G Roussos	South African
CM Vining	South African

There have been no changes to the directorate for the year under review.

6. Holding company

The company's holding company is Zeno Capital Limited which holds 68.60% (2016: 68.60%) of the company's equity. Zeno Capital Limited is incorporated in British Virgin Islands.

7. Ultimate holding company

The company's ultimate holding company is Supaluck Investments Proprietary Limited which is incorporated in South Africa.

Directors' Report

8. Events after the reporting period

The company concluded an agreement to acquire a fifty percent interest in the P1 LM prototype from Dean Lanzante via a special purpose vehicle Project 2 Holdings Limited for GBP 2 300 000. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report, which could have a material effect on these financial statements.

9. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the group annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

11. Secretary

The company secretary is Totalserve Trust Company Limited.

Postal address:	PO Box 3540 Road Town Tortola British Virgin Islands VG1110
Business address:	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110

12. Terms of appointment of the auditors

Certified Master Auditors (South Africa) Incorporated continued in office as auditors for the company for 2017.

At the AGM, the shareholders will be requested to reappoint Certified Master Auditors (South Africa) Incorporated as the independent external auditors of the company and to confirm Mr G Davias as the designated lead audit partner for the 2018 financial year.

13. Date of authorisation for issue of financial statements

The group annual financial statements have been authorised for issue by the directors on 28 March 2018.

Independent Auditor's Report

To the shareholders of Caro Investment Holdings Limited

Opinion

We have audited the financial statements of Caro Investment Holdings Limited set out on pages 11 to 30, 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 a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Caro Investment Holdings Limited as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the BVI Business Companies Act, 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the group annual 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 (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of group annual financial statements in Virgin Islands (British). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Virgin Islands (British). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

We are required in terms of ISA701 to report on key audit matters being those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other investment assets comprise various investment cars that make up a significant balance in the statement of financial position. The investment cars are disclosed at fair value through profit and loss. The fair value of the investment cars requires significant management judgment and estimation.

In determining the fair value of the investment cars, management has taken into account various factors. These include but are not restricted to the vintage, condition, rarity, special features, auction activities and recent sales prices achieved for similar vehicles.

Our audit procedures included enquiries and discussions with management to ensure that the above methodology was appropriate in the circumstances and was fairly applied. Our examination included determining amounts realized upon disposal of similar vehicles by the group and outside parties before and after the end of the reporting period.

There were no matters regarding the valuations that came to our attention that would affect our opinion above.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Audit Committee's Report as required by the BVI Business Companies Act, 2004 of Virgin Islands (British), which we obtained prior to the date of this report. Other information 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 an audit opinion or 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, 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 BVI Business Companies Act, 2004, 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.

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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, 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 directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Certified Master Auditors (South Africa) Incorporated
Per: G Davias
Director
Chartered Accountant (SA)
Registered Auditor

28 March 2018
Johannesburg
No 1 Second Road
Halfway House
Midrand
South Africa
1685

Statement of Financial Position as at 31 December 2017

Figures in US Dollar	Note(s)	2017	2016
Assets			
Non-Current Assets			
Investment property	3	2 204 915	1 622 093
Investment assets	6	95 025 102	67 895 532
		97 230 017	**69 517 625**
Current Assets			
Trade and other receivables	7	238 690	7 190 480
Cash and cash equivalents	8	2 711	22 309
		241 401	**7 212 789**
Total Assets		**97 471 418**	**76 730 414**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	9	40 500 000	40 500 000
Reserves	10	87 163	(16 801)
Retained income		18 275 061	187 484
		58 862 224	40 670 683
Non-controlling interest		(795)	-
		58 861 429	**40 670 683**
Liabilities			
Non-Current Liabilities			
Loans from group companies	5	37 616 262	35 982 397
Current Liabilities			
Trade and other payables	11	993 727	77 334
Total Liabilities		**38 609 989**	**36 059 731**
Total Equity and Liabilities		**97 471 418**	**76 730 414**

Statement of Profit or Loss and Other Comprehensive Income

Figures in US Dollar	Note(s)	2017	2016
Operating income	12	-	39 764
Operating gains (losses)	13	15 653 657	(501 746)
Operating expenses		(302 125)	(677 229)
Operating profit (loss)	14	**15 351 532**	**(1 139 211)**
Investment income	15	2 735 250	-
Profit (loss) for the year		**18 086 782**	**(1 139 211)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		103 964	(12 206)
Other comprehensive income (loss) for the year net of taxation	17	**103 964**	**(12 206)**
Total comprehensive income (loss) for the year		**18 190 746**	**(1 151 417)**

Profit (loss) attributable to:		
Owners of the parent	18 087 577	(1 139 211)
Non-controlling interest	(795)	-
	18 086 782	**(1 139 211)**
Total comprehensive income (loss) attributable to:		
Owners of the parent	18 191 541	(1 151 417)
Non-controlling interest	(795)	-
	18 190 746	**(1 151 417)**

Statement of Changes in Equity

Figures in US Dollar	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Balance at 01 January 2016	**40 000**	**40 460 000**	**40 500 000**	**(4 595)**	**1 326 695**	**41 822 100**	**-**	**41 822 100**
Loss for the year	-	-	-	-	(1 139 211)	(1 139 211)	-	(1 139 211)
Other comprehensive income	-	-	-	(12 206)	-	(12 206)	-	(12 206)
Total comprehensive Loss for the year	**-**	**-**	**-**	**(12 206)**	**(1 139 211)**	**(1 151 417)**	**-**	**(1 151 417)**
Balance at 01 January 2017	**40 000**	**40 460 000**	**40 500 000**	**(16 801)**	**187 484**	**40 670 683**	**-**	**40 670 683**
Profit for the year	-	-	-	-	18 087 577	18 087 577	(795)	18 086 782
Other comprehensive income	-	-	-	103 964	-	103 964	-	103 964
Total comprehensive income for the year	**-**	**-**	**-**	**103 964**	**18 087 577**	**18 191 541**	**(795)**	**18 190 746**
Balance at 31 December 2017	**40 000**	**40 460 000**	**40 500 000**	**87 163**	**18 275 061**	**58 862 224**	**(795)**	**58 861 429**
Note(s)	9	9	9	10&17				

Statement of Cash Flows

Figures in US Dollar	Note(s)	2017	2016
Cash flows from operating activities			
Cash generated from/(used in) operations	18	7 314 331	(16 374 528)
Interest income	15	2 735 250	-
Net cash from operating activities		**10 049 581**	**(16 374 528)**
Cash flows from investing activities			
Purchase of investment property	3	(428 631)	(1 622 093)
Purchase of investment assets		(13 847 601)	(15 901 044)
Sale of investment assets		2 573 188	15 931 928
Net cash from investing activities		**(11 703 044)**	**(1 591 209)**
Cash flows from financing activities			
Net movement in group loans		1 633 865	17 943 743
Net cash from financing activities		**1 633 865**	**17 943 743**
Total cash movement for the year		**(19 598)**	**(21 994)**
Cash at the beginning of the year		22 309	44 303
Total cash at end of the year	8	**2 711**	**22 309**

Accounting Policies

Corporate information

Caro Investment Holdings Limited is a public limited company incorporated and domiciled in Virgin Islands (British).

1. Significant accounting policies

The principal accounting policies applied in the preparation of these group annual financial statements are set out below.

1.1 Basis of preparation

The group annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these group annual financial statements and the BVI Business Companies Act, 2004.

The group annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in US Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated group annual financial statements incorporate the group annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated group annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the group annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty

The preparation of group annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

1.4 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

There are no property interests held under operating leases which are recognised as investment property.

1.5 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investment
- Loans and receivables
- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Derecognition

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.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), 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.

Accounting Policies

1.5 Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.6 Tax

Tax expenses

As the company is registered in the British Virgin Islands, it is exempt from all taxes.

Accounting Policies

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.9 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Accounting Policies

1.9 Provisions and contingencies (continued)

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 20.

1.10 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.12 Translation of foreign currencies

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

Figures in US Dollar 2017 2016

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 12: Annual Improvements to IFRS 2014 - 2016 cycle	01 January 2017	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IAS 7: Disclosure initiative	01 January 2017	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Insurance Contracts	01 January 2021	Not expected to impact results but may result in additional disclosure
• IFRS 16 Leases	01 January 2019	Impact is currently being assessed
• IFRS 9 Financial Instruments	01 January 2018	Not expected to impact results but may result in additional disclosure
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact

Notes to the Group Annual Financial Statements

Figures in US Dollar	2017	2016

3. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	2 204 915	-	2 204 915	1 622 093	-	1 622 093

Reconciliation of investment property - 2017

	Opening balance	Additions	Foreign exchange movements	Total
Investment property	1 622 093	428 631	154 191	2 204 915

Reconciliation of investment property - 2016

	Opening balance	Additions	Total
Investment property	-	1 622 093	1 622 093

Details of property

	2017	2016
Land at Buckmore Farm, Winchester Road, Petersfield GU32 3BU		
Land held under title deed number SH46251		
- Purchase price: June 2016	1 622 093	1 622 093
- Capitalised expenditure	428 631	-
- Foreign exchange movement	154 191	-
	2 204 915	**1 622 093**

Details of valuation

The effective date of the valuation was 31 December 2017. The investment property is disclosed at the directors valuation as at the reporting date. The investment property is independently valued periodically.

The Directors are not aware of any material change in the property valuation since the balance sheet date.

4. Interests in subsidiaries

Name of company	Nature of business	% holding 2017	% holding 2016
Axel Finance Company Limited	Asset lending	100.00 %	100.00 %
Kiklo Cars Limited	Investment holding	100.00 %	100.00 %
Kiklo Cars USA LLC	Investment holding	100.00 %	100.00 %
Kreis Kapital UG	Investment holding	100.00 %	100.00 %
Pikes Peak Properties Limited	Property holding	100.00 %	100.00 %
Project 2 Holdings Limited	Investment holding	50.00 %	- %

Figures in US Dollar	2017	2016

5. Loans to (from) group companies

Holding company		
Zeno Capital Limited	(36 222 588)	(34 706 030)
HBW Group Proprietary Limited	(453 905)	(243 464)
The loans are unsecured, interest free and have no fixed terms of repayment. The loans are no expected to be repaid in the next twelve months.		
	(36 676 493)	**(34 949 494)**
Fellow subsidiaries		
Mayfair Properties Limited	(31 620)	-
Primezone Properties Limited	(908 149)	(1 032 903)
The loans are unsecured, interest free and have no fixed terms of repayment. The loans are not expected to be repaid within the next twelve months.		
	(939 769)	**(1 032 903)**
Non-current liabilities	(37 616 262)	(35 982 397)
	(37 616 262)	**(35 982 397)**

6. Investment assets

At fair value through profit or loss - designated		
Other investment assets	89 737 340	67 895 532
Investment in investment cars.		
Held to maturity		
Investment - Fireblade Automotive Project	1 689 125	-
Fifty percent interest in the Porsche TAG Project.		
Deposits		
Deposits paid	3 598 637	-
Deposits paid relating to the acquisition of investment cars.		
Total other investment assets	**95 025 102**	**67 895 532**
Non-current assets		
Designated as at fair value through profit (loss) (Fair value through income)	89 737 340	67 895 532
Held to maturity	1 689 125	-
Deposits	3 598 637	-
	95 025 102	**67 895 532**

Fair value information

Investment assets at fair value through profit or loss are recognised at fair value.

The following classes of investment assets at fair value through profit or loss are measured to fair value based on directors valuations using market prices:

- Investment cars

Notes to the Group Annual Financial Statements

Figures in US Dollar	2017	2016

6. Investment assets (continued)

The company has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

7. Trade and other receivables

Prepayments	45 877	41 398
Deposits paid	161 025	1 335 542
VAT	31 788	-
Short term loan	-	5 813 540
	238 690	**7 190 480**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 711	22 309

9. Share capital

Authorised		
100 000 Ordinary shares of US$1 each	100 000	100 000
Issued		
40 000 Ordinary shares of US$1 each	40 000	40 000
Share premium	40 460 000	40 460 000
	40 500 000	**40 500 000**

10. Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

Opening balance	(16 801)	(4 595)
Current year movement	103 964	(12 206)
	87 163	**(16 801)**

11. Trade and other payables

Trade payables	67 728	3 984
Deposits received	861 755	-
Other payables	64 244	73 350
	993 727	**77 334**

12. Other operating income

Other income	-	39 764

13. Other operating gains (losses)

(Losses) gains on disposals, scrappings and settlements		
Other financial and investment assets	(44 812)	21 557

Notes to the Group Annual Financial Statements

Figures in US Dollar	2017	2016

13. Other operating gains (losses) (continued)

Foreign exchange (losses) gains		
Net foreign exchange (losses) gains	(135 718)	8 697
Fair value gains (losses)		
Financial instruments at fair value through profit or loss:		
Foreign group loans	(65 782)	-
Other investment assets	15 899 969	(532 000)
	15 834 187	**(532 000)**
Total other operating gains (losses)	**15 653 657**	**(501 746)**

14. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external		
Audit fees	4 192	2 948

15. Investment income

Interest income		
From investments in financial assets:		
Interest received on promissory note	2 735 250	-

16. Taxation

No provision has been made for 2017 tax as the company is registered in the British Virgin Islands and is exempt from tax.

17. Other comprehensive income

Components of other comprehensive income - 2017

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	103 964	-	103 964

Components of other comprehensive income - 2016

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(12 206)	-	(12 206)

Notes to the Group Annual Financial Statements

Figures in US Dollar	2017	2016

18. Cash generated from/(used in) operations

Profit (loss) before taxation	18 086 782	(1 139 211)
Adjustments for:		
Losses (gains) on disposals, scrappings and settlements of assets and liabilities	44 812	(21 557)
Losses (gains) on foreign exchange	135 718	(8 697)
Interest income	(2 735 250)	-
Fair value (gains) losses	(15 834 187)	532 000
Impairment losses and reversals	-	339 507
Other non-cash items	(251 727)	49 121
Changes in working capital:		
Trade and other receivables	6 951 790	(7 096 189)
Trade and other payables	916 393	(9 029 502)
	7 314 331	**(16 374 528)**

19. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Investment property	6 282 355	-
• Investment cars	10 871 127	4 121 486

This committed expenditure relates to investment property and investment cars and will be financed by existing cash resources and debt.

20. Contingencies

There were no material contingencies at year end.

21. Related parties

Relationships	
Ultimate holding company	Supaluck Investments Proprietary Limited
Holding company	Zeno Capital Limited
Subsidiaries	Refer to note 4
Other interests of the directors	HBW Group Proprietary Limited
	Primezone Properties Limited
	Mayfair Properties Limited

Related party balances

Loan accounts - Owing (to) by related parties		
Zeno Capital Limited	(36 222 588)	(34 706 030)
HBW Group Proprietary Limited	(453 905)	(243 464)
Primezone Properties Limited	(908 149)	(1 032 903)
Mayfair Properties Limited	(31 620)	-

22. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

Notes to the Group Annual Financial Statements

23. Categories of financial instruments

	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2017							
Assets							
Non-Current Assets							
Investment property	3	-	-	-	-	2 204 915	2 204 915
Investment assets	6	-	-	1 689 125	-	93 335 977	95 025 102
		-	**-**	**1 689 125**	**-**	**95 540 892**	**97 230 017**
Current Assets							
Trade and other receivables	7	-	161 025	-	-	77 665	238 690
Cash and cash equivalents	8	-	2 711	-	-	-	2 711
		-	**163 736**	**-**	**-**	**77 665**	**241 401**
Total Assets		**-**	**163 736**	**1 689 125**	**-**	**95 618 557**	**97 471 418**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	9	-	-	-	-	40 500 000	40 500 000
Reserves	10	-	-	-	-	87 163	87 163
Retained income		-	-	-	-	18 275 061	18 275 061
		-	**-**	**-**	**-**	**58 862 224**	**58 862 224**
Non-controlling interest		-	-	-	-	(795)	(795)
Total Equity		**-**	**-**	**-**	**-**	**58 861 429**	**58 861 429**
Liabilities							
Non-Current Liabilities							
Loans from group companies	5	-	-	-	37 616 262	-	37 616 262
Current Liabilities							
Trade and other payables	11	-	-	-	993 727	-	993 727
Total Liabilities		**-**	**-**	**-**	**38 609 989**	**-**	**38 609 989**
Total Equity and Liabilities		**-**	**-**	**-**	**38 609 989**	**58 861 429**	**97 471 418**

Notes to the Group Annual Financial Statements

Categories of financial instruments - 2016

Assets							
Non-Current Assets							
Investment property	3	-	-	-	-	1 622 093	1 622 093
Investment assets	6	-	-	-	-	67 895 532	67 895 532
		-	**-**	**-**	**-**	**69 517 625**	**69 517 625**
Current Assets							
Trade and other receivables	7	-	7 149 082	-	-	41 398	7 190 480
Cash and cash equivalents	8	-	22 309	-	-	-	22 309
		-	**7 171 391**	**-**	**-**	**41 398**	**7 212 789**
Total Assets		**-**	**7 171 391**	**-**	**-**	**69 559 023**	**76 730 414**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	9	-	-	-	-	40 500 000	40 500 000
Reserves	10	-	-	-	-	(16 801)	(16 801)
Retained income		-	-	-	-	187 484	187 484
		-	**-**	**-**	**-**	**40 670 683**	**40 670 683**
Total Equity		**-**	**-**	**-**	**-**	**40 670 683**	**40 670 683**
Liabilities							
Non-Current Liabilities							
Loans from group companies	5	-	-	-	35 982 397	-	35 982 397
Current Liabilities							
Trade and other payables	11	-	-	-	77 334	-	77 334
Total Liabilities		**-**	**-**	**-**	**36 059 731**	**-**	**36 059 731**
Total Equity and Liabilities		**-**	**-**	**-**	**36 059 731**	**40 670 683**	**76 730 414**

Notes to the Group Annual Financial Statements

Figures in US Dollar	2017	2016

24. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 5 cash and cash equivalents disclosed in note 8, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the company monitors capital on the basis of the debt: equity ratio.

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total equity is represented in the statement of financial position.

There are no externally imposed capital requirements.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by the fund managers under policies approved by the directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The company does not hedge foreign exchange fluctuations.

Exchange rates used for conversion of foreign items were:

	2017	2016
GBP	1.3513	1.2340
EURO	1.2005	1.0517