

# **Caro Investment Holdings Limited**

(Registration number 1782776)  
Group Annual Financial Statements  
for the year ended 31 December 2018

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

HLB CMA South Africa Incorporated  
Chartered Accountants (SA)  
Registered Auditors

Issued 29 March 2019

# Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## General Information

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<b>Country of incorporation and domicile</b>	Virgin Islands (British)
<b>Nature of business and principal activities</b>	Investment holding
<b>Directors</b>	A Vassilopoulos GR Poole G Roussos CM Vining CN Vassilopoulos M Maraschin
<b>Registered office</b>	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110
<b>Business address</b>	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110
<b>Postal address</b>	PO Box 3540 Road Town Tortola British Virgin Islands VG1110
<b>Holding company</b>	Zeno Capital Limited incorporated in British Virgin Islands
<b>Ultimate holding company</b>	Supaluck Investments Proprietary Limited incorporated in South Africa
<b>Bankers</b>	Investec Bank
<b>Auditors</b>	HLB CMA South Africa Incorporated Chartered Accountants (SA) Registered Auditors
<b>Secretary</b>	Totalserve Trust Company Limited
<b>Company registration number</b>	1782776
<b>Preparer</b>	The group annual financial statements were internally compiled by: U Jensen Group Financial Accountant
<b>Issued</b>	29 March 2019

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### **Preparer**

U Jensen  
Group Financial Accountant

### **Published**

29 March 2019

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## Audit Committee Report

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This report is provided by the audit committee appointed in respect of the 2018 financial year of Caro Investment Holdings Limited.

### 1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of the company and 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 HLB CMA South Africa Incorporated as the independent auditor and George Davias as the designated partner, who is a registered independent auditor, for appointment of the 2018 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.

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.

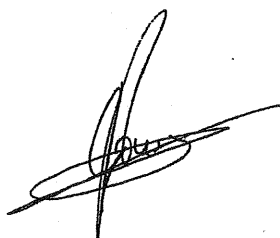
### 5. Accounting practices and internal control

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.

### 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



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George Roussos  
Chairman Audit Committee

Johannesburg  
29 March 2019

# Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## Directors' Responsibilities and Approval

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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.

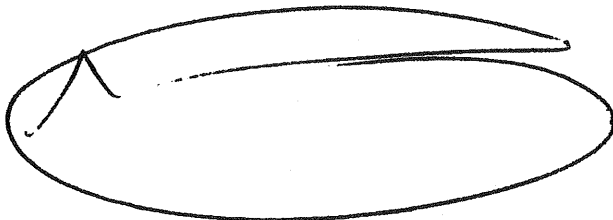
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the group annual financial statements. However, any system of internal 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 2019 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.

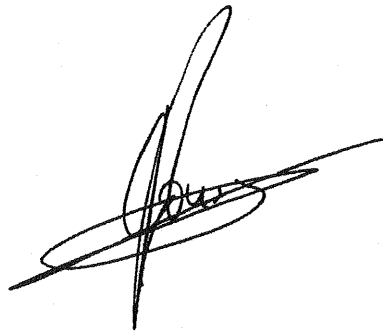
The group annual financial statements set out on pages 11 to 30, which have been prepared on the going concern basis, were approved by the directors on 29 March 2019 and were signed on their behalf by:

### Approval of financial statements



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Director  
Johannesburg  
29 March 2019



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Director

# Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## Directors' Report

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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 2018.

### 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

			2018	2017
<b>Authorised</b>			Number of shares	
Ordinary shares			100 000	100 000
<b>Issued</b>			Number of shares	
	2018	2017	2018	2017
	\$ '000	\$ '000		
Ordinary shares	40 500	40 500	40 000	40 000

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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 2018. (2017: Nil)

### 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	Changes
A Vassilopoulos	South African	
GR Poole	South African	
G Roussos	South African	
CM Vining	South African	
CN Vassilopoulos	South African	Appointed 01 June 2018
M Maraschin	South African	Appointed 01 June 2018

There have been no other 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% (2017: 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.

# Caro Investment Holdings Limited

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Group Annual Financial Statements for the year ended 31 December 2018

## Directors' Report

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### 8. Events after the reporting period

The directors wish to highlight some company milestones that have occurred after the reporting period. One of the company's subsidiaries, Pikes Peak Properties Limited, has appointed a main contractor, Amiri, for the construction of a motor vehicle storage and showroom facility at Buckmore Park, Petersfield, UK. Amiri is well known and has an excellent track record. Construction is due to commence in April 2019. The value of the project is expected to be approximately GBP 8 million.

The company, through its subsidiary Fireblade Automotive Limited, is partnering with Lanzante Limited to produce a limited series of Porsche road cars. The program is progressing well, with the first prototype completed. Customers have placed orders with Lanzante in early 2019, and it is expected that all cars will be sold in the next three years. The value of the project is expected to be approximately GBP 8 million.

The directors are not aware of any other material events 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. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### 13. Terms of appointment of the auditors

HLB CMA South Africa Incorporated were appointed as the company's auditors at the general meeting.

At the AGM, the shareholders will be requested to reappoint HLB CMA 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 2019 financial year.

# **Caro Investment Holdings Limited**

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## **Directors' Report**

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### **14. Date of authorisation for issue of financial statements**

The group annual financial statements have been authorised for issue by the directors on 29 March 2019.



# Independent Auditor's Report

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## To the shareholders of Caro Investment Holdings Limited

### Opinion

We have audited the group annual 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 2018, 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 group annual financial statements, including a summary of significant accounting policies.

In our opinion, the group annual financial statements present fairly, in all material respects, the financial position of Caro Investment Holdings Limited as at 31 December 2018, 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 realised 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 group annual financial statements and our auditor's report thereon.

Our opinion on the group annual 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 group annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group annual 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.

# Independent Auditor's Report

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## Responsibilities of the directors for the Group Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the group annual 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 group annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group annual 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 Group Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the group annual 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 group annual 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 group annual 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 group annual 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 group annual financial statements, including the disclosures, and whether the group annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

## Independent Auditor's Report

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From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the group annual 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.



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HLB CMA South Africa Incorporated  
G Davias  
Director  
Chartered Accountants (SA)  
Registered Auditors

29 March 2019  
Johannesburg  
No 1 Second Road  
Halfway House  
Midrand  
South Africa  
1685

# Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## Statement of Financial Position as at 31 December 2018

Figures in US Dollar thousand	Note(s)	2018	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investment property	3	2 563	2 205
Financial and investment assets	5	105 971	95 025
		<b>108 534</b>	<b>97 230</b>
<b>Current Assets</b>			
Trade and other receivables	6	171	239
Cash and cash equivalents	7	90	3
		<b>261</b>	<b>242</b>
<b>Total Assets</b>		<b>108 795</b>	<b>97 472</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<b>Equity Attributable to Equity Holders of Parent</b>			
Share capital	8	40 500	40 500
Reserves	9	73	87
Retained income		18 227	18 273
		58 800	58 860
Non-controlling interest		2 804	(1)
		<b>61 604</b>	<b>58 859</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loans from group companies	10	45 585	37 617
Deposits received	11	813	-
		<b>46 398</b>	<b>37 617</b>
<b>Current Liabilities</b>			
Trade and other payables	12	793	996
<b>Total Liabilities</b>		<b>47 191</b>	<b>38 613</b>
<b>Total Equity and Liabilities</b>		<b>108 795</b>	<b>97 472</b>

# Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## Statement of Profit or Loss and Other Comprehensive Income

Figures in US Dollar thousand	Note(s)	2018	2017
Operating losses	13	(42)	(181)
Operating expenses		(358)	(303)
<b>Net operating loss</b>	14	<b>(400)</b>	<b>(484)</b>
Investment income	15	-	2 735
Non-operating gains	16	227	15 834
<b>(Loss) profit for the year</b>		<b>(173)</b>	<b>18 085</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		(14)	104
<b>Other comprehensive income for the year net of taxation</b>	18	<b>(14)</b>	<b>104</b>
<b>Total comprehensive (loss) income for the year</b>		<b>(187)</b>	<b>18 189</b>

### **(Loss) profit attributable to:**

Owners of the parent	(46)	18 086
Non-controlling interest	(127)	(1)
	<b>(173)</b>	<b>18 085</b>

### **Total comprehensive (loss) income attributable to:**

Owners of the parent	(60)	18 190
Non-controlling interest	(127)	(1)
	<b>(187)</b>	<b>18 189</b>

## Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

### Statement of Changes in Equity

	Total share capital	Foreign currency translation reserve	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Figures in US Dollar thousand						
<b>Balance at 01 January 2017</b>	<b>40 500</b>	<b>(17)</b>	<b>187</b>	<b>40 670</b>	<b>-</b>	<b>40 670</b>
Profit for the year	-	-	18 086	18 086	(1)	18 085
Other comprehensive income	-	104	-	104	-	104
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>104</b>	<b>18 086</b>	<b>18 190</b>	<b>(1)</b>	<b>18 189</b>
<b>Balance at 01 January 2018</b>	<b>40 500</b>	<b>87</b>	<b>18 273</b>	<b>58 860</b>	<b>(1)</b>	<b>58 859</b>
Loss for the year	-	-	(46)	(46)	(127)	(173)
Other comprehensive loss	-	(14)	-	(14)	-	(14)
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>(14)</b>	<b>(46)</b>	<b>(60)</b>	<b>(127)</b>	<b>(187)</b>
Outside shareholder's investment	-	-	-	-	2 932	2 932
<b>Balance at 31 December 2018</b>	<b>40 500</b>	<b>73</b>	<b>18 227</b>	<b>58 800</b>	<b>2 804</b>	<b>61 604</b>
Note(s)	8	9&18	18			

# Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## Statement of Cash Flows

Figures in US Dollar thousand	Note(s)	2018	2017
<b>Cash flows from operating activities</b>			
Cash generated from operations	19	2 514	7 315
Interest income		-	2 735
<b>Net cash from operating activities</b>		<b>2 514</b>	<b>10 050</b>
<b>Cash flows from investing activities</b>			
Purchase of investment property	3	(478)	(429)
Purchase of investment assets		(11 055)	(13 848)
Sale of investment assets		98	2 574
<b>Net cash from investing activities</b>		<b>(11 435)</b>	<b>(11 703)</b>
<b>Cash flows from financing activities</b>			
Net movement in group loans		8 195	1 634
Net movement in deposits received		813	-
<b>Net cash from financing activities</b>		<b>9 008</b>	<b>1 634</b>
<b>Total cash movement for the year</b>		<b>87</b>	<b>(19)</b>
Cash at the beginning of the year		3	22
<b>Total cash at end of the year</b>	7	<b>90</b>	<b>3</b>

# Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## Accounting Policies

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### 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.

#### 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.



# Caro Investment Holdings Limited

(Registration number 1782776)

Group Annual Financial Statements for the year ended 31 December 2018

## Accounting Policies

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### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### 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

##### 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

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

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### Financial instruments (continued)

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 24 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

### Trade and other receivables

#### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

#### Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

### Borrowings and loans from related parties

#### Classification

Loans from group companies (note 10) are classified as financial liabilities subsequently measured at amortised cost.

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## Accounting Policies

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### Financial instruments (continued)

#### Trade and other payables

##### Classification

Trade and other payables (note 12), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 24 for details of risk exposure and management thereof.

#### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

### 1.6 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

### 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.

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### 1.7 Impairment of assets (continued)

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 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.

### 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.

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.

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### 1.9 Provisions and contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 21.

### 1.10 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

### 1.11 Borrowing costs

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

### 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.

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### 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:
<ul style="list-style-type: none"><li>IFRS 9 Financial Instruments</li></ul>	01 January 2018	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
<ul style="list-style-type: none"><li>IFRS 15 Revenue from Contracts with Customers</li></ul>	01 January 2018	The impact of the standard is not material.
<ul style="list-style-type: none"><li>Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers</li></ul>	01 January 2018	The impact of the standard is not material.

#### 2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2019 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"><li>IFRS 17 Insurance Contracts</li></ul>	01 January 2021	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>Plan Amendment, Curtailment or Settlement - Amendments to IAS 19</li></ul>	01 January 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28</li></ul>	01 January 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>Prepayment Features with Negative Compensation - Amendment to IFRS 9</li></ul>	01 January 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle</li></ul>	01 January 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle</li></ul>	01 January 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle</li></ul>	01 January 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle</li></ul>	01 January 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>IFRS 16 Leases</li></ul>	01 January 2019	Impact is currently being assessed

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### 3. Investment property

	2018			2017		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	2 563	-	2 563	2 205	-	2 205

#### Reconciliation of investment property - 2018

	Opening balance	Additions	Foreign exchange movements	Total
Investment property	2 205	478	(120)	2 563

#### Reconciliation of investment property - 2017

	Opening balance	Additions	Foreign exchange movements	Total
Investment property	1 622	429	154	2 205

#### Details of property

##### Land at Buckmore Farm, Winchester Road, Petersfield GU32 3BU

Land held under title deed number SH46251

- Purchase price: June 2016	1 622	1 622
- Capitalised expenditure	906	429
- Foreign exchange movement	35	154
	<b>2 563</b>	<b>2 205</b>

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

#### Details of valuation

The effective date of the revaluations was 31 December 2018. 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.

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### 4. Interests in subsidiaries

Name of company	Nature of business	% holding 2018	% holding 2017
Axel Finance Company Limited	Asset lending	100.00 %	100.00 %
Fireblade Automotive Limited	Investment holding	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 %
Pikes Peak Properties Limited	Property holding	100.00 %	100.00 %
Project 2 Holdings Limited	Investment holding	50.00 %	50.00 %

### 5. Financial and investment assets

#### At fair value through profit or loss - designated

Investment assets	98 060	89 737
Investment in investment cars.		

#### Loans and deposits at amortised cost

Loan to Lanzante Limited	4 312	1 689
The loan facility for the Porsche Tag Project.		
Deposits paid	3 599	3 599
Deposits paid relating to the acquisition of investment cars.		

**7 911**      **5 288**

#### Total financial and investment assets

**105 971**      **95 025**

#### Non-current assets

Designated as at FV through profit (loss) (FV through income)	98 060	89 737
Loans and deposits	7 911	5 288
	<b>105 971</b>	<b>95 025</b>

### 6. Trade and other receivables

#### Financial instruments:

Deposits paid	32	161
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#### Non-financial instruments:

VAT	28	32
Prepayments	111	46

#### Total trade and other receivables

**171**      **239**



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Figures in US Dollar thousand	2018	2017
<b>7. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	90	3
<b>8. Share capital</b>		
<b>Authorised</b>		
100 000 Ordinary shares of US\$1 each	100	100
<b>Issued</b>		
40 000 Ordinary shares	40 500	40 500
<b>9. Foreign currency translation reserve</b>		
Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.		
Opening balance	87	(17)
Current year movement	(14)	104
	<b>73</b>	<b>87</b>
<b>10. Loans from group companies</b>		
Holding company		
Zeno Capital Limited	41 227	36 223
HBW Group Proprietary Limited	4 358	454
The loans are unsecured, interest free and have no fixed terms of repayment. The loans are not expected to be repaid in the next twelve months.		
	<b>45 585</b>	<b>36 677</b>
Fellow subsidiaries		
Primezone Properties Limited	-	908
Mayfair Properties Limited	-	32
The loans were unsecured, interest free and were repaid in the current financial year.		
	<b>-</b>	<b>940</b>
<b>Split between non-current and current portions</b>		
Non-current liabilities	<b>45 585</b>	<b>37 617</b>
<b>11. Deposits received</b>		
<b>Held at amortised cost</b>		
Deposits received	813	-

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<b>12. Trade and other payables</b>			
<b>Financial instruments:</b>			
Trade payables	730	70	
Deposits received	-	862	
Other payables	63	64	
	<b>793</b>	<b>996</b>	
<b>13. Operating gains (losses)</b>			
<b>Gains (losses) on disposals, scrappings and settlements</b>			
Other financial and investment assets	(11)	(45)	
<b>Foreign exchange gains (losses)</b>			
Net foreign exchange loss	(31)	(136)	
<b>Total operating gains (losses)</b>	<b>(42)</b>	<b>(181)</b>	
<b>14. Net operating profit (loss)</b>			
Net operating loss for the year is stated after charging (crediting) the following, amongst others:			
<b>Auditor's remuneration - external</b>			
Audit fees	5	4	
<b>15. Investment income</b>			
<b>Interest income</b>			
<b>Investments in financial assets:</b>			
Interest received on promissory note	-	2 735	
<b>16. Non-operating gains (losses)</b>			
<b>Fair value gains (losses)</b>			
Loans from group companies	227	(66)	
Investment assets designated as at fair value through profit or loss	-	15 900	
	<b>227</b>	<b>15 834</b>	
<b>17. Taxation</b>			
No provision has been made for 2018 tax as the group has no taxable income.			
<b>18. Other comprehensive income</b>			
<b>Components of other comprehensive income - 2018</b>			
	Gross	Tax	Net
<b>Items that may be reclassified to (loss) profit</b>			
<b>Exchange differences on translating foreign operations</b>			
Exchange differences arising during the year	(14)	-	(14)

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## Notes to the Group Annual Financial Statements

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### 18. Other comprehensive income (continued)

#### Components of other comprehensive income - 2017

	Gross	Tax	Net
<b>Items that may be reclassified to profit (loss)</b>			
<b>Exchange differences on translating foreign operations</b>			
Exchange differences arising during the year	104	-	104

### 19. Cash generated from operations

(Loss) profit before taxation		(173)	18 085
<b>Adjustments for:</b>			
Losses on disposals, scrappings and settlements of assets and liabilities		11	45
Losses on foreign exchange		31	136
Interest income		-	(2 735)
Fair value gains		(227)	(15 834)
Non-cash movement in outside shareholder		2 932	-
Other non-cash items		72	(251)
<b>Changes in working capital:</b>			
Trade and other receivables		68	6 952
Trade and other payables		(200)	917
		<b>2 514</b>	<b>7 315</b>

### 20. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Investment property	7 533	6 282
• Investment cars	8 691	10 871

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

### 21. Contingencies

There were no contingencies at year end.

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### 22. 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	(41 227)	(36 223)
HBW Group Proprietary Limited	(4 358)	(454)
Primezone Properties Limited	-	(908)
Mayfair Properties Limited	-	(32)

### 23. Directors' emoluments

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

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### 24. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

##### 2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	32	32	32
Cash and cash equivalents	7	90	90	90
		<b>122</b>	<b>122</b>	<b>122</b>

##### 2017

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	161	161	161
Cash and cash equivalents	7	3	3	3
		<b>164</b>	<b>164</b>	<b>164</b>

#### Categories of financial liabilities

##### 2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	793	793	793
Loans from group companies	10	45 585	45 585	45 585
Deposits received	11	813	813	813
		<b>47 191</b>	<b>47 191</b>	<b>47 191</b>

##### 2017

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	996	996	996
Loans from group companies	10	37 617	37 617	37 617
		<b>38 613</b>	<b>38 613</b>	<b>38 613</b>

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### 24. Financial instruments and risk management (continued)

#### 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 10 cash and cash equivalents disclosed in note 7, 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 noncurrent 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

##### Overview

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.

##### 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.

##### 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.

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### 24. Financial instruments and risk management (continued)

#### Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars, UK Pounds and Euros.

#### Exchange rates

The following closing exchange rates were applied at reporting date:

#### US Dollar per unit of foreign currency:

UK Pound	1.275	1.351
Euro	1.144	1.201