

Sudatel Telecom Group Limited
UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
30 September 2017



Republic of Sudan
National Audit Chamber
Date: 1439/صه/25 التاريخ
Date: 2017/نومبر/14 الموافق

جمهورية السودان
ديوان المراجعة القومي
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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO
THE BAORD OF DIRECTORS OF SUDATEL TELECOM GROUP**

Introduction

We have reviewed the accompanying interim condensed consolidated financial position of Sudatel Telecom Group Limited (The group) as at 30 September 2017 , and the related statements of income , comprehensive income , change in equity and cash flows for the Nine months period then ended and a summary of significant accounting policies and others explanatory notes. Management is responsible for the preparation and fair presentation of these Interim Condensed Consolidated Financial Statements in accordance with the International Accounting Standards (IAS 34) Interim Financial Reporting. Our responsibility is to express a conclusion on these Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information performed by the independent Auditors of the Entity". A review of interim financial information consist of making inquiries , primarily of persons responsible for Financial and Accounting matters , and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with IAS 34.

Eltahir Abd Elghyoum Ibrahim, FCCA

AUDITOR GENERAL

REPUBLIC OF THE SUDAN



SUDATEL TELECOM GROUP LIMITED
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 For the nine months ended 30 September 2017

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	Notes	(Unaudited) Three Months		(Unaudited) Nine months	
		30-Sep-17 USD	30-Sep-16 USD	30-Sep-17 USD	30-Sep-16 USD
Operating revenues		130,768,469	121,552,323	382,710,023	357,316,985
Operating expenses		(70,624,656)	(71,805,151)	(216,307,024)	(217,854,428)
Gross profit		60,143,813	49,747,172	166,402,999	139,462,557
Profit from investments and deposits	19	69,708	43,881	218,258	579,662
Other income / (loss)	20	(13,694,864)	(4,952,138)	(18,153,626)	(8,603,131)
Marketing, selling & distribution expenses	21	(4,029,752)	(3,861,627)	(11,449,871)	(10,009,530)
General and administrative expenses	22	(29,781,267)	(24,464,646)	(86,109,140)	(71,651,974)
Operating profit		12,707,638	16,512,642	50,908,620	49,777,584
Share of associate and joint venture profit	5	(309,537)	748,621	259,636	3,167,092
Finance cost	15	(3,657,265)	(3,823,473)	(15,499,326)	(12,921,909)
Profit before tax		8,740,836	13,437,790	35,668,930	40,022,767
Zakat	16	(869,678)	(776,801)	(2,487,831)	(2,241,636)
Taxation	17	(3,899,708)	(3,441,691)	(11,157,030)	(10,006,880)
Profit for the period		3,971,450	9,219,298	22,024,069	27,774,251
Attributable to:					
Equity holders of the parent		4,596,069	8,738,820	23,587,889	31,026,701
Non-controlling interests		(624,619)	480,478	(1,563,820)	(3,252,450)
		3,971,450	9,219,298	22,024,069	27,774,251
Earnings per share					
Basic and diluted, profit for the period attributable to ordinary equity holders of the Group		0.0033	0.0076	0.0182	0.0229

The annexed notes from 1 to 26 form integral part of these consolidated financial statements

Eng. Tarig Hamza Zain El Abdem

Tarig Hamza Zain El Abdem

President & CEO

Sami Yousif Mohamed

Sami Yousif Mohamed

VP Finance & Operation Support



SUDATEL TELECOM GROUP LIMITED
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 For the nine months ended 30 September 2017

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	(Unaudited) Three Months		(Unaudited) Nine months	
	30-Sep-17 USD	30-Sep-16 USD	30-Sep-17 USD	30-Sep-16 USD
Profit for the period	3,971,450	9,219,298	22,024,069	27,774,251
Other comprehensive income / (loss) : <i>(Reclassified to profit or loss in subsequent periods)</i>				
Exchange differences on translation of foreign operations	3,247,598	(5,110,890)	26,027,805	(42,537,378)
Total other comprehensive income / (loss) for the period, net of tax	3,247,598	(5,110,890)	26,027,805	(42,537,378)
Total comprehensive income / (loss) for the period, net of tax	7,219,048	4,108,408	48,051,874	(14,763,127)
Attributable to:				
Equity holders of the parent	7,820,322	3,505,581	50,309,378	(13,382,509)
Non-controlling interests	(601,274)	602,827	(2,257,504)	(1,380,618)
	7,219,048	4,108,408	48,051,874	(14,763,127)

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Sami Yousif Mohamed

President & CEO

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VP Finance & Operation Support



SUDATEL TELECOM GROUP LIMITED
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at 30 September 2017

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	Notes	(Unaudited) 30-Sep-17 USD	(Audited) 31-Dec-16 USD
Asset			
Non-current assets			
Property, plant and equipment	3	666,728,555	611,456,159
Intangible assets	4	195,977,937	197,308,445
Investments	5	46,741,615	46,040,358
Non-trading investments	6	1,745,156	1,574,688
		<u>911,193,263</u>	<u>856,379,650</u>
Current assets			
Inventories	7	6,177,742	6,738,421
Trade and other receivables	8	231,674,151	218,735,639
Term deposits	9	234,356	2,580,137
Cash and bank balances	10	40,259,159	23,555,344
		<u>278,345,408</u>	<u>251,609,541</u>
Total assets		<u>1,189,538,671</u>	<u>1,107,989,191</u>
Equity and liabilities			
Equity			
Share capital	11	1,210,677,005	1,210,677,005
Share premium		108,496,485	108,496,485
General reserve		87,768,130	95,268,130
Foreign exchange translation reserve		(1,172,908,143)	(1,198,935,948)
Revaluation reserves		241,580,925	241,580,925
Actuarial loss		(11,893,952)	(11,893,952)
Retained earnings		64,325,706	55,313,078
Equity attributable to equity holders of the parent		<u>528,046,156</u>	<u>500,505,723</u>
Non-controlling interests		<u>(16,979,388)</u>	<u>(14,721,884)</u>
Total equity		<u>511,066,768</u>	<u>485,783,839</u>
Non-current liabilities			
Loans and borrowings	12	252,804,845	213,822,708
Employees' end of service benefits	18	27,562,147	25,164,245
Deferred revenue	14	26,528,295	27,748,524
Non-current portion of accounts payable	13	9,339,387	15,131,670
		<u>316,234,674</u>	<u>281,867,147</u>
Current liabilities			
Trade payables and accruals	13	226,032,814	215,975,751
Deferred revenue	14	24,071,455	25,604,416
Zakat payable	16	7,727,519	7,496,141
Taxation payable	17	36,984,245	31,616,041
Finance costs payable	15	10,912,201	3,984,485
Current portion of loans and borrowings	12	56,508,995	55,661,371
		<u>362,237,229</u>	<u>340,338,205</u>
Total liabilities		<u>678,471,903</u>	<u>622,205,352</u>
Total equity and liabilities		<u>1,189,538,671</u>	<u>1,107,989,191</u>

The annexed notes from 1 to 26 form integral part of these consolidated financial statements

Eng. Tarig Hamza Zain El Abdein

President & CEO

Sami Yousif Mohamed

VP Finance & Operation Support



SUDATEL TELECOM GROUP LIMITED
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 For the nine months ended 30 September 2017

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	Notes	(Unaudited) 30-Sep-17 USD	(Unaudited) 30-Sep-16 USD
Operating activities			
Profit for the period		22,024,069	27,774,251
Adjustments to reconcile net profit to net cash flows:			
Depreciation	3	43,363,283	47,416,343
Amortization	4	15,915,878	14,654,053
Employees' end of service benefits provision	18	1,606,882	2,266,979
Profit from deposits and investments	19	(218,258)	(579,662)
Share of associate and joint venture profit	5	(259,636)	(3,167,092)
Finance cost	15	15,499,326	12,921,909
Provision for zakat	16	2,487,831	2,241,636
Provision for taxation	17	11,157,030	10,006,880
Working capital adjustments:			
Decrease / (increase) in inventories		560,679	2,408,450
Increase in trade and other receivables		(12,938,512)	(32,257,918)
(Decrease) / increase in trade payables and accruals		(20,563,671)	(11,061,626)
End of service benefits paid	18	(676,228)	(701,880)
Finance cost paid	15	(4,979,443)	(6,168,661)
Zakat paid	16	(2,724,122)	(3,120,821)
Tax paid	17	(8,410,050)	(7,689,710)
Net cash flows from operating activities		61,845,058	54,943,131
Investing activities			
Purchase of property plant and equipment	3	(69,436,668)	(50,928,028)
Proceeds from sale of property and equipment	3	-	30,503
Additions to intangible assets	4	(2,091,570)	(133,966)
Investment in associated companies movement	5	(441,621)	3,133,817
Addition of non trading investment	6	(79,468)	(259,153)
Profit from deposits and investments	19	218,258	579,662
Net cash flows used in investing activities		(71,831,069)	(47,577,165)
Financing activities			
Proceeds/(repayment) of term deposits-net	9	2,439,230	80,624
Proceeds/(repayment) of loans and borrowings-net		39,829,761	(6,495,903)
Non- controlling interests and disposal-net		(693,684)	27,578,314
Net cash flows from financing activities		41,575,307	21,163,035
Net increase in cash and cash equivalents		31,589,296	28,529,001
Net foreign exchange difference		(14,885,481)	(26,524,489)
Cash and cash equivalents at beginning of the period		23,555,344	25,317,252
Cash and cash equivalents at end of the period	10	40,259,159	27,321,764

The annexed notes from 1 to 26 form integral part of these consolidated financial statements

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VP Finance & Operation Support



	Attributable to the equity holders of the Parent									
	Share capital	Share premium	General reserve	Foreign currency translation reserve	Revaluation reserve	Actuarial loss	Retained earnings / (loss)	Total	Non-controlling interests	Total equity
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
As at 1 Jan 2016 (Audited)	1,210,677,095	108,496,485	116,794,900	(1,131,104,473)	241,580,925	(12,125,914)	2,719,992	537,038,920	(37,734,002)	499,304,918
Income / (loss) for the period	-	-	-	-	-	-	31,026,701	31,026,701	(3,252,450)	27,774,251
Other comprehensive loss	-	-	-	(42,537,378)	-	-	-	(42,537,378)	-	(42,537,378)
Other comprehensive income NCI	-	-	-	-	-	-	-	-	1,871,832	1,871,832
Dividends & other distributions	-	-	(21,526,770)	-	-	-	-	(21,526,770)	-	(21,526,770)
Loss on control Ghana 2016	-	-	-	-	-	-	-	-	25,845,484	25,845,484
As at 30 Sep 2016 (Unaudited)	1,210,677,095	108,496,485	95,268,130	(1,173,641,851)	241,580,925	(12,125,914)	33,746,693	504,001,473	(13,269,136)	490,732,337
As at 1 Jan 2017 (Audited)	1,210,677,005	108,496,485	95,268,130	(1,198,935,948)	241,580,925	(11,893,952)	55,313,078	500,505,723	(14,721,884)	485,783,839
Income / (loss) for the period	-	-	-	-	-	-	23,587,889	23,587,889	(1,563,820)	22,024,069
Other comprehensive loss	-	-	-	26,027,805	-	-	-	26,027,805	-	26,027,805
Other comprehensive income NCI	-	-	-	-	-	-	-	-	(693,684)	(693,684)
Dividends & other distributions	-	-	(7,500,000)	-	-	-	(14,575,261)	(22,075,261)	-	(22,075,261)
As at 30 Sep 2017 (Unaudited)	1,210,677,005	108,496,485	87,768,130	(1,172,908,143)	241,580,925	(11,893,952)	64,325,796	528,046,156	(16,979,388)	511,066,768

The annexed notes from 1 to 26 form integral part of these consolidated financial statements

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SUDATEL TELECOM GROUP LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended 30 September 2017

1 CORPORATE INFORMATION

Sudatel Telecom Group Company Limited (“the Sudatel”, “the Company” or “the Parent”), is a public listed company incorporated in the Republic of Sudan in accordance with Sudan Commercial Companies law (1925) under commercial registration (CR) number 7484. The Company has its registered office at Sudatel Tower, Building 9/A, Block No.2, West Khartoum, Khartoum, Republic of Sudan.

The Company’s shares are listed on the Khartoum Stock Exchange in Sudan and the Abu Dhabi Securities Exchange in United Arab Emirates.

The Company and its subsidiaries (collectively referred to as the “Group”) are engaged in the provision of installation, maintenance, and operation of telecommunication services, infrastructure and the provision of wire and wireless telecommunication services in Sudan and other African countries.

Information on the Group’s structure is provided in Note 2. Information on other related party relationships of the Group is provided in Note 25.

The condensed consolidated financial statements for the period ended 30 September 2017 were authorised for issue on 14 November 2017

2 BASIS OF PREPARATION AND ACCOUNTING POLICES

Basis of preparation

The interim condensed consolidated financial statements for the nine months ended 30 September 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2016

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the period ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

The following table sets out the details of Group’s subsidiaries, associates and joint ventures as at :

<i>Subsidiaries:</i>	Country of incorporation	Effective shareholding		Principal activity
		2017	2016	
Expresso Telecom Holding Company **	UAE	100%	100%	Invest in and manage the Group’s international operations
Sudanese Internet Company Limited	Sudan	100%	100%	Internet and data

** The following table sets out Espresso Telecom Holding Company's (a wholly owned subsidiary) directly owned subsidiaries as at :

Sub- Subsidiaries:	Country of incorporation	Effective shareholding	
		2017	2016
Expresso Senegal	Senegal	100%	100%
Chinguitel Telecom Company Limited	Mauritania	95.5%	95.5%
Intercel Company	Guinea Conakry	72%	72%

Associates:	Country of incorporation	Effective shareholding	
		2017	2016
Arab Submarine Cables Company Limited	KSA	50%	50%
Electronic Banking Services	Sudan	30%	30%
Al Gadida Asima Services Company Limited	Sudan	60%	60%

Joint Ventures	Country of incorporation	Effective shareholding	
		2017	2016
Sudasat Company	Sudan	60%	60%
Dolphin Telecommunications JLT	UAE	60%	60%

3 PROPERTY, PLANT AND EQUIPMENT

2017	Freehold Land	Buildings	Network equipment and cables	Communication equipment	Computers & equipment	Motor vehicles	Office furniture	Earth station	Indefeasible right of use	Capital work-in-progress	Total
USD											
Cost											
As at 1 Jan 2017	140,080,585	110,801,919	375,076,341	362,432,985	14,170,954	11,069,267	29,640,809	7,901,106	12,918,171	91,628,028	1,155,720,165
Additions	-	-	-	-	-	-	-	-	-	69,436,668	69,436,668
Transfers	30,336	-	3,591,077	12,985	544,124	173,520	230,039	-	-	(4,582,081)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Disposals	8,729,355	6,220,838	33,138,969	22,611,489	518,808	626,422	2,275,501	492,935	805,940	(12,207,083)	63,224,174
Currency translation adjustment	-	-	-	-	-	-	-	-	-	-	-
As at 30 Sep 2017	148,850,276	117,022,757	411,806,387	385,057,459	15,233,886	11,869,209	32,146,349	8,394,041	13,724,111	144,275,532	1,288,380,007
Accumulated Depreciation											
As at 1 Jan 2017	-	(10,633,928)	(230,312,635)	(252,678,251)	(7,952,238)	(6,786,003)	(23,263,182)	(7,901,106)	(4,736,663)	-	(544,264,006)
Depreciation	-	(3,509,596)	(19,356,182)	(16,117,497)	(1,891,619)	(768,721)	(1,055,939)	-	(663,729)	-	(43,363,283)
Disposals	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(502,593)	(31,876,693)	(16,310,095)	(260,142)	(295,012)	(1,515,792)	(492,935)	(317,988)	-	(34,024,161)
Currency translation adjustment	-	-	-	-	-	-	-	-	-	-	-
As at 30 Sep 2017	-	(14,696,117)	(263,345,510)	(285,105,756)	(10,403,999)	(7,952,736)	(25,834,913)	(8,394,041)	(5,718,380)	-	(621,651,452)
Net book value											
As at 30 Sep 2017	148,850,276	102,326,640	148,260,877	99,951,703	4,829,887	3,916,473	6,311,436	-	8,005,731	144,275,532	666,728,555
USD											
Cost											
As at 1 January 2016	153,957,525	112,957,394	406,994,166	391,037,972	14,169,991	8,794,833	30,428,303	8,724,667	14,264,678	53,216,810	1,194,546,339
Additions	-	-	-	-	-	-	-	-	-	74,513,592	74,513,592
Transfers	698,057	8,383,168	7,957,965	8,306,844	1,338,534	3,268,956	1,963,872	-	-	(31,917,396)	-
Disposals	-	-	(3,116,460)	-	-	(107,658)	-	-	-	(1,972,430)	(5,196,548)
Disposals	(14,574,997)	(10,438,643)	(36,759,329)	(35,911,821)	(1,337,571)	(886,864)	(2,721,366)	(823,561)	(1,345,207)	(2,212,548)	(108,144,215)
Currency translation adjustment	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2016	140,080,585	110,801,919	375,076,341	362,432,985	14,170,954	11,069,267	29,640,809	7,901,106	12,918,171	91,628,028	1,155,720,165
Accumulated Depreciation											
As at 1 January 2016	-	(6,921,499)	(223,492,155)	(255,524,223)	(6,137,271)	(6,778,677)	(24,266,180)	(8,724,667)	(4,279,403)	-	(536,324,075)
Depreciation	-	-	777,729	-	-	52,133	-	-	-	829,862	-
Depreciation for the year	-	(4,754,899)	(29,141,631)	(23,060,577)	(2,596,567)	(798,691)	(1,313,955)	-	(933,542)	-	(62,599,862)
Disposals	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	1,042,470	21,543,422	25,906,549	781,600	739,232	2,316,953	823,561	476,282	-	53,630,069
Currency translation adjustment	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2016	-	(10,633,928)	(230,312,635)	(252,678,251)	(7,952,238)	(6,786,003)	(23,263,182)	(7,901,106)	(4,736,663)	-	(544,264,006)
Net book value											
As at 31 December 2016	140,080,585	100,167,991	144,763,706	109,754,734	6,218,716	4,283,264	6,377,627	-	8,181,508	91,628,028	611,456,159

3.1 PROPERTY AND EQUIPMENT (continued)

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any depreciation and impairment losses. The fair value measurements of the Group's freehold land and buildings as at 31 December 2014 was performed by an independent valuers.

The fair value of the freehold land was determined based on replacement cost, comparable and residual method and the fair value of buildings was determined using depreciated replacement cost method, in accordance with IFRS. The Group intends to carry out revaluation exercise in 3 to 5 years interval.

Details of the Group's freehold land and buildings and information about the fair values are as follows:

	FV as at 30-Sep-17 USD	FV as at 31-Dec-16 USD
- freehold land	148,850,276	140,080,585
- buildings	102,326,640	100,167,991
	<u>251,176,916</u>	<u>240,248,576</u>

Had the Group's freehold land and buildings (other than land and buildings classified as held for sale or included in a disposal group) been measured on historical cost basis, their cost would have been as follows.

	30-Sep-17 USD	31-Dec-16 USD
Freehold land	58,873,568	50,103,877
Buildings	30,240,075	24,019,237
	<u>89,113,643</u>	<u>74,123,114</u>

Freehold land and building with carrying value amounting to USD 40 million (2016: USD 40 million) are held under Murabaha and Finance Lease agreement.

Network equipment with carrying value amounting to USD 12.5 million (2016: USD 12.5 million) are subject to a first charge guarantee to secure the Murabaha finance.

Depreciation has been allocated in the consolidated statement of profit or loss as follows:

	30-Sep-17 USD	30-Sep-16 USD
Operating expenses	36,137,408	40,518,410
General and administration expenses	7,225,875	6,897,933
	<u>43,363,283</u>	<u>47,416,343</u>

4 INTANGIBLE ASSETS

	Software	License	Total
2017			
	USD		
Cost			
As at 1 Jan 2017	24,227,779	391,805,131	416,032,910
Additions	798,760	1,292,810	2,091,570
Exchange adjustments	1,511,524	26,575,829	28,087,353
As at 30 Sep 2017	26,538,063	419,673,770	446,211,833
Accumulated Amortization			
As at 1 Jan 2017	(14,526,579)	(204,197,886)	(218,724,465)
Amortisation	(1,364,405)	(14,551,473)	(15,915,878)
Exchange adjustments	(952,489)	(14,641,064)	(15,593,553)
As at 30 Sep 2017	(16,843,473)	(233,390,423)	(250,233,896)
Net book value:			
As at 30 Sep 2017	9,694,590	186,283,347	195,977,937
2016			
Cost			
As at 1 Jan 2016	26,753,127	426,901,055	453,654,182
Additions	-	1,532,341	1,532,341
Exchange adjustments	(2,525,348)	(36,628,265)	(39,153,613)
As at 31 Dec 2016	24,227,779	391,805,131	416,032,910
Accumulated Amortization			
As at 1 Jan 2016	(13,657,244)	(201,639,307)	(215,296,551)
Amortisation for the year	(2,339,790)	(17,009,723)	(19,349,513)
Exchange adjustments	1,470,455	14,451,144	15,921,599
As at 31 Dec 2016	(14,526,579)	(204,197,886)	(218,724,465)
Net book value:			
As at 31 Dec 2016	9,701,200	187,607,245	197,308,445

Intangibles represent operator licences that have been granted for a period of 15 to 20 years by the relevant government agencies with the option of renewal at the end of this period subject to certain conditions.

Telecommunication licences are subject to a first charge guarantee against the Murabaha finance obtained from the Parent Company.

Amortisation has been allocated in the consolidated statement of profit or loss as follows:

	30-Sep-17 USD	30-Sep-16 USD
Operating expenses	14,551,473	12,867,099
General and administration expenses (note 22)	1,364,405	1,786,954
	15,915,878	14,654,053

Details of the Company licenses as at 30 Sep 2017 are as follow:

	Type	Date granted/ renewed	Term
Sudan	800, 900, 1800 MHz	2007	20 years
Senegal	800, 900, 1800, 2100 MHz	5-Nov-07	20 years
Mauritania	800, 900, 1800, 2100 MHz	27-Jul-06	15 years
Guinea Conakry	900 MHz	12-May-06	13 years

5 INVESTMENTS

The Group's interest in associates and joint ventures is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of Group's investments

	Associates			Joint ventures		Total
	Arab Submarine Cables Company Limited	Electronic Banking Services	Al Gadida Asima Services Company Limited	Sudasat Company	Dolphin Telecommunications JLT	
	USD			USD		
As at 1 Jan 2016	11,520,821	2,452,028	701,927	3,920,696	34,033,000	52,628,472
Other equity movements	(150,697)	(575,539)	(38,285)	(4,647,982)	(3,556,360)	(8,968,863)
Share of profit / (loss)	193,070	446,326	374,115	2,222,241	(854,903)	2,380,749
As at 31 Dec 2016	11,563,194	2,322,715	1,037,757	1,494,955	29,621,737	46,040,358
2016 Shareholding %	50%	30%	60%	60%	60%	
Other equity movements	237,901	51,052	21,036	(31,864)	163,496	441,621
Share of profit / (loss)	-	-	-	107,936	151,700	259,636
As at 30 Sep 2017	11,801,095	2,373,767	1,058,793	1,571,027	29,936,933	46,741,615
2017 Shareholding %	50%	30%	60%	60%	60%	

6 NON-TRADING INVESTMENTS

	Held-to-maturity	Held-to-maturity	Unquoted available for sale investments	Total
	Shama	Shahama	Other Investments	
	USD			
As at 1 Jan 2016	930,795	123,796	309,896	1,364,487
Transfer	-	-	-	-
Addition net	-	363,515	(52,906)	310,609
Exchange adjustments	(87,862)	(11,686)	(860)	(100,408)
As at 31 Dec 2016	842,933	475,625	256,130	1,574,688
Addition / (disposal) net	-	29,776	49,692	79,468
Exchange adjustments	52,589	29,674	8,737	91,000
As at 30 Sep 2017	895,522	535,075	314,559	1,745,156

	30-Sep-17 USD	31-Dec-16 USD
7 INVENTORIES		
SIM & scratch cards and others	2,662,366	1,372,925
Transmission cables and materials	2,792,207	2,038,055
Modem, handsets and accessories	4,466,026	5,537,120
Spare parts and other materials	-	1,772,865
	<u>9,920,599</u>	<u>10,720,965</u>
Provision for slow moving and obsolete inventories	7.1 (3,742,857)	(3,982,544)
	<u><u>6,177,742</u></u>	<u><u>6,738,421</u></u>

7.1 The movement during the year in provision was as follows:

As at 1 January	(3,982,544)	(4,215,068)
Write off	-	34,268
Exchange adjustment	239,687	198,256
As at	<u><u>(3,742,857)</u></u>	<u><u>(3,982,544)</u></u>

8 TRADE AND OTHER RECEIVABLES

	30-Sep-17 USD	31-Dec-16 USD
Trade debtors	232,836,213	227,698,733
Provision for bad and doubtful	8.1 (54,172,305)	(49,126,298)
	<u>178,663,908</u>	<u>178,572,435</u>
Advances paid to suppliers, staff loans and others	21,365,352	17,391,995
Prepaid expenses	30,928,125	22,054,381
Related party receivables	25 716,766	716,828
	<u><u>231,674,151</u></u>	<u><u>218,735,639</u></u>

8.1 The movement of impairment allowance for the trade receivables during the year is as follows:

	30-Sep-17 USD	31-Dec-16 USD
As at 1 January	49,126,298	55,120,605
Charge for the year	22,061	771,193
Write off	-	(1,808,215)
Exchange adjustment	5,023,946	(4,957,285)
As at	<u><u>54,172,305</u></u>	<u><u>49,126,298</u></u>

9 TERM DEPOSITS

	30-Sep-17 USD	31-Dec-16 USD
As at 1 January	2,580,137	256,508
Addition	-	2,284,186
Redemption	(2,439,230)	(11,634)
Exchange adjustment	93,449	51,077
As at	<u><u>234,356</u></u>	<u><u>2,580,137</u></u>

10 CASH AND BANK BALANCES

	30-Sep-17 USD	31-Dec-16 USD
Local current account	35,711,224	22,952,889
Foreign current account	4,529,903	590,688
Cash margin	18,032	11,767
	<u><u>40,259,159</u></u>	<u><u>23,555,344</u></u>

	Notes	30-Sep-17 USD	31-Dec-16 USD
11 SHARE CAPITAL AND OTHER RESERVES			
<i>Share Capital</i>			
Number of authorised (Ordinary shares of USD 1 each)	QTY	<u>2,500,000,000</u>	2,500,000,000
Issued and fully paid up (Ordinary shares of USD 1 each)		<u>1,210,677,005</u>	1,210,677,005
12 LOANS AND BORROWINGS			
		2017 USD	2016 USD
<i>Current</i>			
Current portion of Islamic finance		56,508,995	55,661,371
<i>Non-current</i>			
Non-current portion of Islamic finance		<u>252,804,845</u>	213,822,708
		<u>309,313,840</u>	269,484,079
The security against these loans is extended by pledging the Company's network equipment, land & buildings and letter of guarantee.			
13 TRADE PAYABLES AND ACCRUALS			
		30-Sep-17 USD	31-Dec-16 USD
Trade creditors		116,320,503	70,977,464
Accrued expenses payable		20,234,018	44,012,487
Unclaimed dividends		41,484,011	33,585,183
Advance received		1,054,736	454,000
Related party payables	25	1,258,901	2,589,560
Other liabilities		<u>55,020,032</u>	79,488,727
		<u>235,372,201</u>	231,107,421
Non current portion		<u>(9,339,387)</u>	(15,131,670)
		<u>226,032,814</u>	215,975,751
14 DEFERRED REVENUE			
		30-Sep-17 USD	31-Dec-16 USD
Deferred revenue - leased capacity	14.1	33,027,446	40,277,735
Deferred revenue - subscribers		<u>17,572,304</u>	13,075,205
		<u>50,599,750</u>	53,352,940
Non current portion - leased capacity	14.1	<u>(26,528,295)</u>	(27,748,524)
		<u>24,071,455</u>	25,604,416
14.1 This represent broadband capacity leased to a local telecom operator. Full consideration has been received in advance. The terms of the agreement range from 2 years to 15 years.			
15 FINANCE COSTS PAYABLE			
		30-Sep-17 USD	31-Dec-16 USD
As at 1 Jan		3,984,485	3,271,073
Charge for the period		15,499,326	18,647,036
Paid during the period		(4,979,443)	(17,624,852)
Exchange adjustment		<u>(3,592,167)</u>	(308,772)
As at		<u>10,912,201</u>	3,984,485

16 ZAKAT PAYABLE

As at 1 Jan
 Charge for the period
 Payments
 Exchange adjustment
 As at

30-Sep-17	31-Dec-16
USD	USD
7,496,141	10,377,096
2,487,831	1,681,422
(2,724,122)	(3,681,452)
467,669	(880,925)
7,227,519	7,496,141

Status of zakat assessments

Zakat assessments of the Company have been agreed with the Zakat authority up to 2009. The assessments for 2010-2015 still under discussion. The assessments for the years 2016 have not yet initiated by the authorities.

17 TAXATION PAYABLE

As at 1 Jan
 Charge for the period
 Payments
 Exchange adjustment
 As at

30-Sep-17	31-Dec-16
USD	USD
31,616,041	24,464,852
11,157,030	13,840,024
(8,410,050)	(8,373,947)
2,621,224	1,685,112
36,984,245	31,616,041

Status of tax assessments

Tax assessments of the Parent have been made by the Tax Authorities up to 2008. However, the years 2009 till 2012 have not been settled yet. The assessments for the years 2013 till 2016 have not yet initiated by the taxation authorities.

18 EMPLOYEES' END OF SERVICE BENEFITS

As at 1 Jan
 Employee end of service charge for the period
 Actuarial (gain) / loss
 Payments
 Exchange adjustment
 As at

30-Sep-17	31-Dec-16
USD	USD
25,164,245	26,167,465
1,606,882	3,398,624
-	(231,962)
(676,228)	(1,966,851)
1,467,248	(2,203,031)
27,562,147	25,164,245

	30-Sep-17	30-Sep-16
	USD	USD
19 PROFIT FROM INVESTMENTS AND DEPOSITS		
Fixed deposits	67,237	461,502
Investment funds	<u>151,021</u>	<u>118,160</u>
	<u>218,258</u>	<u>579,662</u>
20 OTHER INCOME		
Loss on disposal	116,214	533,522
Exchange (loss) / gain	(19,936,174)	(13,388,735)
Miscellaneous income	<u>1,666,334</u>	<u>4,252,082</u>
	<u>(18,153,626)</u>	<u>(8,603,131)</u>
21 MARKETING, SELLING & DISTRIBUTION EXPENSES		
Marketing & advertisement	<u>7,309,181</u>	<u>5,907,626</u>
Business promotion	<u>3,231,651</u>	<u>3,193,058</u>
Sales & distribution	<u>909,039</u>	<u>908,846</u>
	<u>11,449,871</u>	<u>10,009,530</u>
22 GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries & wages	49,339,365	39,524,766
Depreciation	7,225,875	6,897,933
Amortization	1,364,405	1,786,954
Repairs, maintenance & utilities	2,206,700	2,127,829
Corporate social responsibility	3,011,212	2,542,997
Traveling and transport	1,690,226	937,651
Rental expense	1,613,048	1,883,135
Consumables & stationary	1,093,917	1,140,700
Legal and other consultancy fee	1,632,841	555,508
Audit expense	602,948	1,325,033
Business premises security	447,759	267,105
Entertainment expenses	348,747	343,421
Insurance fee	239,453	199,906
Training expenses	914,010	541,779
Bank charges	640,235	516,822
Other admin expenses	<u>13,738,399</u>	<u>11,060,435</u>
	<u>86,109,140</u>	<u>71,651,974</u>

23 SEGMENT INFORMATION

According to geographical location:

The Group has divided its main operations into domestic and international operations.

The following table shows the information according to Group operations for :

2017	Domestic	Foreign					Consolidation adjustments & eliminations	Foreign Sub Total	STG Group Total
	Sudan	Senegal	Mauritania	Guinea Conakry	UAE				
	USD	USD	USD	USD	USD	USD		USD	
Operating revenue 30 Sep 2017	249,660,225	82,780,400	49,318,207	951,191	1,875,000	(1,875,000)	133,049,798	382,710,023	
Profit (loss) after zakat and tax 30 Sep 2017	30,642,928	7,851,475	5,446,348	(6,460,379)	(13,818,758)	(1,637,545)	(8,618,859)	22,024,069	
Total assets 30 Sep 2017	728,564,855	256,259,287	119,039,036	22,082,462	446,246,491	(382,653,460)	460,973,816	1,189,538,671	

The following table shows the information according to Group operations for :

2016	Domestic	Foreign					Consolidation adjustments & eliminations	Foreign Sub Total	STG Group Total
	Sudan	Senegal	Mauritania	Guinea Conakry	UAE				
	USD	USD	USD	USD	USD	USD		USD	
Operating revenue 30 Sep 2016	230,389,593	81,796,928	44,010,702	1,119,762	1,875,000	(1,875,000)	126,927,392	357,316,985	
Profit (loss) after zakat and tax 30 Sep 2016	46,427,157	7,340,606	(713,899)	(16,112,464)	(21,128,488)	11,961,339	(18,652,906)	27,774,251	
Total assets 31 Dec 2016	706,080,366	215,225,540	131,783,293	22,902,379	452,600,158	(420,602,545)	401,908,825	1,107,989,191	

The revenue information is based on location of the customer.

24 COMMITMENTS AND CONTINGENCIES

Commitments:

Capital expenditure

Estimated capital expenditure contracted for at the balance sheet date amounted to USD 83 million (2016: USD 2.11 million).

Letters of credit

The commitments on outstanding letters of credit are Nil .

Letters of guarantee

The commitments on outstanding letters of guarantee are USD 8.15 million (2016: USD 8.15 million).

Contingencies:

The Group has committed to provide the necessary financial support to its joint venture and subsidiaries to enable them to continue their operations and to meet their obligations as they fall due. Further, the Group has committed not to demand any payment on its loan to the subsidiaries within the next 12 months.

25 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors, associates and key management personal of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's Board of Directors.

The related party balances included in the consolidated statement of financial position are as follows:

	30-Sep-17 USD	31-Dec-16 USD
Related party Payables		
<i>Arab Submarine Cables Company Limited</i>	(888,285)	(1,218,617)
<i>Sudasat company</i>	(295,980)	(650,192)
<i>Al Gadida Asima Services Company Limited</i>	(74,636)	(114,215)
<i>Dolphin Telecommunication - JLT</i>	-	(606,536)
	<u>(1,258,901)</u>	<u>(2,589,560)</u>
Related party receivables		
<i>Latif (other related party)</i>	83,596	83,596
<i>Expresso Telecom Group - JLT (other related party)</i>	133,230	133,232
<i>Expresso other intercompany</i>	499,940	500,000
	<u>716,766</u>	<u>716,828</u>

In the normal course of business, the Company provides telecom services to the certain Government Organizations at the normal commercial terms. Similarly, the Company receives services such as electricity and other infrastructure support from certain Government organizations at normal commercial terms. However, in the management's view, these services are not material in the overall context of these consolidated financial statements.

The expenses incurred by the Company in respect of key management personnel are set out below:

	30-Sep-17 USD	30-Sep-16 USD
Short term employee benefits	2,568,934	2,312,041
Post-employment benefits	321,376	509,794
	<u>2,890,310</u>	<u>2,821,834</u>

26 PRIOR PERIOD ADJUSTMENTS AND RECLASSIFICATIONS

Certain prior year figures have been reclassified consequent upon certain changes in current year's presentation for more appropriate comparison. However, there are no material reclassifications to report.