Elephant Capital plc

Annual Report

2016

Elephant Capital plc registered in the Isle of Man, Company Registration Number: 116518C

Contents

Directors and Advisors

Directors
Francis Anthony Hancock
Vincent Campbell (Date of appointment 7 May 2015)
(for Directors' biographies, please visit the Company's website www.elephantcapital.com)

Company Secretary
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Investment Manager
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SMP Fund Services Limited
Clinch's House,
Lord Street, Douglas,
Isle of Man, IM99 1RZ

Chairman's Statement

Results

As at 31 August 2016, Net Asset Value ("NAV") was £5.48 million or 36p per share, compared to £ 5.44 million or 36p per share as at 31 August 2015.

Unlisted investment portfolio

Global Cricket Ventures Limited ("GCV") - In September 2016, the Company divested its entire holding in GCV for US$ 1 million (equivalent to £0.81 million) through a Share Buyback agreement, being £0.05 million above its carried value as at 31st August, 2016.

Air Works India (Engineering) Private Limited ("Air Works") has not been performing in line with its budget. Accordingly its valuation, in INR terms decreased based on an independent third party opinion. However, in £ terms its valuation increased to £3.37million compared to £ 3.10 million at 31 August 2015 due to favorable exchange rate movement.

Amar Chitra Katha Private Limited ("ACK") has not performed in line with its budget. Accordingly, its valuation, in INR terms decreased based on an independent third party opinion. However, in £ terms its valuation increased to £ 0.70 million at 31 August 2016, compared to £ 0.66 million at 31 August 2015 due to favorable exchange rate movement.

Full details of the Company's unlisted investments are included in the Investment Manager's review.

Return of capital

Elephant Capital is proposing to return a maximum of £0.75 million following the sale of the GCV holding. In order to facilitate this, the Directors will be proposing that the structure of the Company be amended to facilitate this and future distributions. Such restructuring should also reduce the expenses of the Company for the benefit of shareholders.

Strategy

We continue our efforts to dispose of our two remaining unlisted investments in the interests of shareholders, and, although the NAV per share has not decreased year on year, are conscious of the depletion of future NAV arising from the ongoing operating costs of the Company. Further significant returns of capital are dependent on further investment realisations.

Vincent Campbell
28 February, 2017

Investment Manager's Review

Introduction

Elephant Capital plc ("Elephant Capital" or the "Company") holds its investments in businesses that are established or operating primarily in India through its Mauritian-based special purpose vehicle Tusk Investments 1 Limited (the "SPV").

The SPV is managed by Elephant Capital LLP (the "Investment Manager"), a limited liability partnership which in turn is advised by Elephant India Advisors Private Limited, of which the senior executives in India are all members.

Investment strategy

The Company was established to execute a value-based strategy in both public and private businesses. As previously announced, Elephant Capital will not make any new investments and has adopted a policy of actively managing and realising its current portfolio and returning surplus cash to its shareholders.

Investment activity

During the period to 31 August 2016, the Investment Manager's focus was on managing the existing portfolio and trying to create liquidity to return cash to shareholders.

The Investment Manager spent a great deal of time to pursue the litigants to settle the dispute with Global Cricket Ventures Limited in both US and UK and in parallel negotiating an exit for the Company from this investment. This matter was bought to a conclusion when Elephant Capital divested its entire holding in Global Cricket Ventures Limited for US$ 1 million through a Share Buy-back Agreement in September 2016.

Given this activity Elephant Capital now holds only three unlisted investments: Air Works, ACK, and Obopay, the last of which has no value. The Investment Manager is focused on finding ways to realise Air Works and ACK over the medium term as these businesses mature. No further investments in any of these companies will be made. Such action may lead to the dilution of the Elephant Capital's investment in these company should they require additional equity support.

Portfolio review

Air Works India (Engineering) Private Limited ("Air Works")

Air Works is one of the leading independent providers of aviation maintenance, repair and overhaul (MRO) services in India, aircraft paint and refinishing in Europe and aircraft management services in Dubai. Founded in 1951, Air Works has successfully transformed itself from a family run business focused on providing maintenance services to business aircraft into a professionally managed organisation providing a full suite of services to customers across MRO, aircraft paint and refinishing, commercial aviation MRO, avionics and parts distribution. It is India's largest EASA Certified Business Aviation MRO company.

The company has been performing satisfactorily. Air Works has had a steady year so far with the revenue and EBITDA largely in line with estimates. On a consolidated basis the revenue of Air Works has been at US$ 45.1 million for H1FY2016, approximately 25% higher than the same period in last year. The management expects to close the year with an EBITDA of US$ 11 – 12 million on the back of pick-up of business expected in second half of the year with painting business witnessing hangar slots filled up to March 2017 and signing up of multiple new deals in airline MRO space in India.

Air Works has made strategic investments into Argus and Acumen which operate in the aviation auditing, valuation, and advisory services. It will require an additional funding of up to US$ 2.75 million to take its stake to 50% in the two companies respectively and that has been arranged through equity infusions/ available debt lines.

The company is seeking US$20 million by way of an equity infusion which will allow it to service current debt requirements and provide an additional working capital surplus in order to maintain growth estimates. The company has already commenced the process to raise the equity from third party and hopefully see an IPO in 2018. The equity process is facing challenges due to the different rights of its present shareholders and Indian regulatory obstacles.

Amar Chitra Katha Private Limited ("ACK")

ACK is one of the leading children's media companies in India, with a catalogue of over 750 print and digital products and 25 major (and 50+ minor) proprietary characters with India-wide recognition. ACK's origins are in children's books and comics, including "Amar Chitra Katha", the number one children's comic book series dating back to 1967. Other key brands include Tinkle, the number one English magazine for children. ACK has also entered into a licensing arrangement with the National Geographic Society, US for publishing their magazines in India.

ACK reported consolidated FY2016 sales of circa INR 500 million vs. FY 2015 revenue of circa INR 616 million. Total expenses improved to circa INR681 million from INR 741 million in the previous financial year, but was not enough to offset the decline in sales leading to losses before tax of -INR181million vs. -INR126 million in FY2015. The consolidated YTD revenue as of Sep 16 for the business is INR 156 million vs management forecast of INR193 million, as the management has decided to focus on high margin sales only. As a result, the gross margin has improved to 59% from 49% in FY2016, leading to better than forecasted EBITDA of INR -15.7million [vs. forecast -INR29.3 million] before exceptional items. The management has also undertaken several cost optimization measures including reduction in headcount which has led to a circa 27% decrease in salary costs.

Elephant Capital invested £ 3.2 million in ACK in a primary transaction in June 2010. In April 2011, Elephant Capital announced a further investment of £ 0.9 million in a second funding round, led by Future Consumer Limited ("FCEL") (previously known as Future Consumer Enterprise Limited). Elephant Capital's stake in ACK was 22% post this investment. ACK subsequently bought back 70,457 of its own shares representing 15% of existing paid up capital of the company, at the purchase price FCEL and Elephant Capital paid in the second round. Neither Elephant Capital nor its co-investors participated in this buy-back and hence Elephant Capital's shareholding in the business increased to 26%. Elephant Capital declined the opportunity to invest in ACK's 2014 rights issue as Elephant Capital was in the process of returning capital to its shareholders. Its holding in ACK therefore was subsequently diluted to 20%.

Global Cricket Ventures Limited, Mauritius ("GCV")

Elephant Capital divested its entire shareholding in GCV for US$ 1 million through a Share Buyback Agreement on the 30 September 2016.

As at 31 August 2016, the unlisted portfolio was as follows:

Company	Sector	Cost £'000	**Valuation 31 August 2016 £'000**	Gain/(loss) over cost £'000
Air Works India (Engineering) Private Limited	Aviation	2,922	**3,373**	451
Amar Chitra Katha Private Limited	Media	4,085	**702**	(3,383)
Global Cricket Ventures Limited	Media	5,949	**763**	(5,186)
Obopay Inc.	Mobile banking service	1,239	**-**	(1,239)
Total		14, 195	**4,838**	(9,357)

The valuations of the above are in accordance with International Financial Reporting Standards and International Private Equity and Venture Capital Association guidelines. All investments are held at fair value through profit or loss and are recognised at the transaction date on initial recognition.

Realisations

Post year end, Global Cricket Ventures, an unlisted investment, was realised.

Principles of valuations of investments

Principles of valuation of unlisted investments
Investments are stated at amounts considered by the Directors to be a reasonable assessment of their fair value, where fair value is the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

All investments are valued according to one of the following bases:
- Cost (less any provision required)
- Earnings multiple
- Price of recent transaction
- Discounted cash flows or earnings (of underlying businesses)
- Net assets
- Sale price

Investments are valued at cost for a limited period after the date of acquisition. Thereafter, investments are valued on one of the other basis described above and the earnings multiple basis of valuation will be used unless this is inappropriate, as in the case of certain asset-based businesses.

Under the discounted cash flow technique the projected cash flows from business operations are discounted at the "Weighted Average Cost of Capital" to the providers of capital to the business. The sum of the discounted value of such free cash flows is the value of the business.

When valuing on an earnings multiple basis, EBITDA or net profit of the current year will normally be used. Such profits will be multiplied by an appropriate and reasonable earnings multiple (EBITDA multiple or net profit multiple, as the case may be). This is normally related to comparable quoted companies, with adjustments made for points of difference between the comparator and the company being valued, in particular for risks, size, illiquidity, earnings growth prospects and surplus assets or excess liabilities.

Where a company has incurred losses, or if comparable quoted companies are not primarily valued on an earnings basis, then the valuation may be calculated with regard to the underlying net assets and any other relevant information, such as the pricing for subsequent recent investments by a third party in a new financing round that is actively being sought, then any offers from potential purchasers would be relevant in assessing the valuation of an investment and are taken into account in arriving at the valuation.

When unlisted investments have obtained an exit after the valuation date but before finalization of the Company's relevant accounts (interim or final), the valuation is based on the sale/exit price.

Where appropriate, a marketability discount (as reflected in the earnings' multiple) may be applied to the investment valuation, based on the likely timing of an exit, the influence over that exit, the risk of achieving conditions precedent to that exit and general market conditions.

In arriving at the value of an investment, the percentage ownership is calculated after taking into account any dilution through outstanding warrants, options and performance-related mechanisms.

Valuation review procedures

Valuations are initially prepared by the Investment Manager with the help of an independent third party valuer. These valuations are then reviewed and approved by the Directors.

Events after the reporting date

Events after the reporting date are disclosed in note 28 to the financials.

Gaurav Burman
On behalf of Elephant Capital LLP
28 February 2017

Directors' Report

The Directors present their report and audited accounts for the year to 31 August 2016.

Principal activities, trading review and future developments

Elephant Capital plc (the "Company") is an investment company established to build a concentrated portfolio of investments primarily in India. Until May 2011 the Company was actively managed by Elephant Capital LLP (the "Investment Manager") to realise long-term capital gains at which point it was decided that the Company would not make new investments other than follow on investments in existing portfolio companies, and to focus instead on returning capital to shareholders over time. Details of the Company's subsidiaries at the reporting date and at the date of this report are disclosed in note 12.

Results and dividends

The Group's consolidated financial statements are set out on pages 11 to 41. The Group reported net assets at the reporting date of £ 5.48 million and for the year to 31 August 2016 a profit attributable to the shareholders of £ 0.04 million. The Board does not propose the payment of a dividend.

Directors
The Directors of the Company during the year and to date were as follows:

Francis Anthony Hancock (appointed 6 July 2006)
Vikram Lall (resigned 11 April 2016)
Vincent Campbell (appointed 7 May 2015)

None of the Directors own any beneficial interest in the ordinary share capital of the Company.

Creditors' payment policy and practice

It is the Group's policy to agree terms of business with suppliers prior to the supply of goods and services. In the absence of any dispute, the Group pays, wherever possible, in accordance with these agreed terms.

Key performance indicators

The Directors monitor the business through the movement in the Group's net asset value (total assets less total liabilities) as disclosed in note 20.

Financial risk management

It is the responsibility of management to ensure that proper controls are in place to maintain effective risk management in every aspect of the Company's business. The main risks comprise market risk, currency risk, interest rate risk, price risk, credit risk and liquidity risk. Details of how the management manages the risks are set out in note 24 to the financial statements.

Auditors

Grant Thornton Limited (Isle of Man), Chartered Accountants, retire under the provisions of section 12(2) of the Isle of Man Companies Act 1982 and being eligible they offer themselves for re-election at the forthcoming AGM.

Directors' responsibilities

The Directors are responsible for preparing the annual report and financial statements in accordance with Isle of Man Law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

On behalf of the Board

Vincent Campbell
Director
28 February 2017

Report of the Independent Auditor to the Members of Elephant Capital plc

We have audited the consolidated and parent company financial statements (the "financial statements") of Elephant Capital plc for the year ended 31 August 2016, which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of cash flows, the consolidated and parent company statements of changes in equity and notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. The other information comprises only the Chairman's Statement, Investment Manager's Review and the Directors' Report. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 August 2016 and of the Group's gain for the year ended 31 August 2016;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Isle of Man Companies Acts 1931 to 2004.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Isle of Man Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- proper books of account have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton Limited
Chartered Accountants
Isle of Man

28 February 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	**For the year ended 31 August 2016 £'000**	For the year ended 31 August 2015 £'000 (Restated)
Revenue			
Investment and other income	7	**229**	227
Reversal of impairment provision/ (provision for impairment loss) on loan to subsidiary	8	**229**	(436)
Other income			
Net foreign exchange loss		**(3)**	(1)
		455	(210)
Expenses			
Management fees	9	**(223)**	(225)
Other expenses	10	**(193)**	(221)
Profit /(loss) before finance costs and tax		**39**	(656)
Finance cost		**(1)**	(2)
Profit /(loss) before tax		**38**	(658)
Income tax expense	11	**-**	-
Profit /(loss) after tax		**38**	(658)
Other comprehensive income for the year		**-**	-
Total comprehensive income/(loss)for the year		**38**	(658)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**38**	(658)
Profit/(loss) per share (basic and diluted)	20	**0.25p**	(3.71p)

(The accompanying notes are an integral part of the consolidated financial statements.)

Consolidated Statement of Financial Position

	Notes	**As at 31 August 2016 £'000**	As at 31 August 2015 £'000 (Restated)	As at 1st September 2014 £'000 (Restated)
ASSETS				
Non-current				
Investments in subsidiaries	14	**-**	-	-
Loans to subsidiary	15	**5,061**	4,887	5,923
		5,061	4,887	5,923
Current				
Receivables	16	**12**	-	-
Prepayments		**17**	21	22
Cash and cash equivalents	17	**448**	602	1,219
		477	623	1,241
Total assets		**5,538**	5,510	7,164
LIABILITIES				
Current				
Payables	18	**54**	64	60
		54	64	60
Net assets		**5,484**	5,446	7,104
EQUITY				
Share capital	19	**151**	151	201
Share premium		**20,752**	20,752	20,752
Distributable capital reserve		**15,557**	15,557	16,507
Unrealised revaluation reserve		**(21,606)**	(21,977)	(21,541)
Accumulated losses		**(9,370)**	(9,037)	(8,815)
Equity attributable to owners of the parent		**5,484**	5,446	7,104
Total equity		**5,484**	5,446	7,104
Net asset value per share	20	**£0.36**	£0.36	£0.35

(The accompanying notes are an integral part of the consolidated financial statements.)
The consolidated financial statements on pages 11 to 41 were approved and authorised for issue by the Board of Directors on 28 February 2017 and are signed on its behalf by

Vincent Campbell
Director

Francis Anthony Hancock
Director

Company Statement of Financial Position

	Notes	As at 31 August 2016 £'000	As at 31 August 2015 £'000
ASSETS			
Non-current			
Investments in subsidiaries	12	**-**	-
Loans to subsidiary	13	**5,061**	4,887
		5,061	4,887
Current			
Loans to subsidiary	13	**7**	-
Receivables	16	**-**	-
Prepayments		**16**	21
Cash and cash equivalents	17	**445**	590
		468	611
Total assets		**5,529**	5,498
LIABILITIES			
Current			
Payables	18	**39**	50
		39	50
Net assets		**5,490**	5,448
EQUITY			
Share capital	19	**151**	151
Share premium		**20,752**	20,752
Distributable capital reserve		**15,557**	15,557
Accumulated losses		**(30,970)**	(31,012)
Equity attributable to owners of the Company		**5,490**	5,448
Total equity		**5,490**	5,448

(The accompanying notes are an integral part of the consolidated financial statements.)

The consolidated financial statements on pages 11 to 41 were approved and authorised for issue by the Board of Directors on 28 February 2017 and are signed on its behalf by

Vincent Campbell
Director

Francis Anthony Hancock
Director

Statement of Cash Flows

		Consolidated		Company	
		For the year ended 31 August 2016 £'000	For the year ended 31 August 2015 £'000 (Restated)	**For the year ended 31 August 2016 £'000**	For the year ended 31 August 2015 £'000
(a)	**Operating activities:**				
	Profit/(loss) before tax	**38**	(658)	**42**	(651)
	Adjustments for:				
	Interest income	**(2)**	(4)	**(2)**	(4)
	Reversal of impairment provision/ (provision for impairment loss) on loan to subsidiary	**(328)**	436	**(328)**	436
	Loss on impairment of loan	**99**	**-**	**99**	-
	Net changes in working capital:				
	(Increase)/decrease in receivables and prepayments	**(8)**	1	**5**	1
	(Decrease)/increase in payables	**(10)**	4	**(11)**	(1)
	Net cash used in operating activities	**(211)**	(221)	**(195)**	(219)
(b)	**Investing activities:**				
	Loan to Subsidiary	**-**	-	**(7)**	-
	Proceeds from repayment of loan by subsidiary	**55**	600	**55**	600
	Interest received	**2**	4	**2**	4
	Net cash generated from investing activities	**57**	604	**50**	604
(c)	**Financing activities:**				
	Shares bought back for cancellation	**-**	(1,000)	**-**	(1,000)
	Net cash used in financing activities	**-**	(1,000)	**-**	(1,000)
	Net decrease in cash and cash equivalents	**(154)**	(617)	**(145)**	(615)
	Cash and cash equivalents at beginning of year	**602**	1,219	**590**	1,205
	Cash and cash equivalents at end of year	**448**	602	**445**	590

(The accompanying notes are an integral part of the consolidated financial statements.)

Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Distributable capital reserve £'000	Unrealised revaluation reserve £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 September 2015 (Restated)	**151**	**20,752**	**15,557**	**(21,977)**	**(9,037)**	**5,446**
Shares bought back for cancellation	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
Net unrealised gain reserve transfer	**-**	**-**	**-**	**328**	**(328)**	**-**
Transfer of accumulated realised loss	**-**	**-**	**-**	**43**	**(43)**	**-**
Profit for the year	**-**	**-**	**-**	**-**	**38**	**38**
Total comprehensive income for the year	**-**	**-**	**-**	**371**	**(333)**	**38**
Balance as at 31 August 2016	**151**	**20,752**	**15,557**	**(21,606)**	**(9,370)**	**5,484**
Balance as at 1 September 2014 (Restated)	201	20,752	16,507	(21,541)	(8,815)	7,104
Shares bought back for cancellation	(50)	-	(950)	-	-	(1,000)
Transactions with owners	(50)	-	(950)	-	-	(1,000)
Net unrealised loss reserve transfer	-	-	-	(436)	436	-
Loss for the year	-	-	-	-	(658)	(658)
Total comprehensive loss for the year	-	-	-	(436)	(222)	(658)
Balance as at 31 August 2015	151	20,752	15,557	(21,977)	(9,037)	5,446

(The accompanying notes are an integral part of the consolidated financial statements).

Company Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Distributable capital reserve £'000	Accumulated losses £'000	Total £'000
Balance as at 1 September 2015	**151**	**20,752**	**15,557**	**(31,012)**	**5,448**
Shares bought back for cancellation	-	-	-	-	-
Transactions with owners	-	-	-	-	-
Profit for the year	-	-	-	42	42
Total comprehensive income for the year	-	-	-	42	42
Balance as at 31 August 2016	**151**	**20,752**	**15,557**	**(30,970)**	**5,490**
Balance as at 1 September 2014	201	20,752	16,507	(30,361)	7,099
Shares bought back for cancellation	(50)	-	(950)	-	(1,000)
Transactions with owners	(50)	-	(950)	-	(1,000)
Loss for the year	-	-	-	(651)	(651)
Total comprehensive loss for the year	-	-	-	(651)	(651)
Balance as at 31 August 2015	151	20,752	15,557	(31,012)	5,448

(The accompanying notes are an integral part of the financial statements.)

Notes to Consolidated Financial Statements

1. General information and statement of compliance with IFRSs

Elephant Capital plc (the "Company" or "Elephant Capital") is a public limited company, incorporated in the Isle of Man on 16 May 2006 and was listed on Alternate Investment Market (the "AIM"), a market of the London Stock Exchange, with its registered office at Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ. During the year, the shares of the Company were delisted with effect from 11 April 2016.

The Group represents the Company and its subsidiaries. The financial statements comprise the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity. The financial statements also include the Company statement of financial position, the Company statement of cash flows and the Company statement of changes in equity to comply with the Isle of Man Companies Act 1982. Under section 3(5)(b)(ii) of the Isle of Man Companies Act 1982, the Company is exempt from the requirement to present its own statement of comprehensive income. The accounting policies for the preparation of the Company statement of financial position, statement of cash flow and statement of changes in equity to the extent they differ from accounting policies used for the preparation of the consolidated financial statements have been separately disclosed in the following notes.

Under Protocol 3 of the UK's Treaty of Accession, the Isle of Man is part of the customs territory of the European Union. The financial statements have been prepared in accordance with the applicable International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

The consolidated financial statements for the year ended 31 August 2016 (including comparatives) were approved and authorised for issue by the Board of Directors on 28 February 2017.

2. Nature of operations

The Company's business consists of investing through the Group in businesses that have operations primarily in India and generating returns for its shareholders.

3. a) New standards/amendments adopted

Amendment to IFRS 13, 'Fair Value Measurements'
Applicable for annual reporting periods beginning on or after 1 January 2015

The amendment is applicable prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39.
The Group does not apply the portfolio exception in IFRS 13

Amendment to IAS 24- Related Party Disclosures
Applicable for annual reporting periods beginning on or after 1 February 2015

The amendment is applicable retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

This amendment is not relevant for the Group as it does not receive any management services from other entities.

IFRS 8 Operating Segments
Applicable for annual reporting periods beginning on or after 1 February 2015

The amendments are applicable retrospectively and clarify that:
• An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'

• The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The Group has not applied the aggregation criteria in IFRS 8.12.

The Group has presented the note on segmental information in Note 27 to the consolidated financial statements as reported to the chief operating decision maker for the purpose of their decision making.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these consolidated financial statements, certain new standards, interpretations and amendments to existing standards that are likely to be applicable to the Group have been published but are not yet effective and have not been adopted early by the Group.

Amendment to IFRS 7 -Financial Instruments
Applicable for annual reporting periods beginning on or after 1 January 2016

The amendment provides guidance for servicing contracts that include a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement as per the Standard in order to assess whether the disclosures are required.

Management does not anticipate a material impact on the Group's consolidated financial statements from application of this amendment.

Sale or contribution of assets between an investor and its associate or joint venture- Amendments to IFRS 10 and IAS 28
Applicable for annual reporting periods beginning on or after 1 January 2016

The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures.

The Group has not entered into any such transactions, hence this is not applicable.

Amendments to IAS 1 -'Presentation of financial statements'- Disclosure requirements
Applicable for annual reporting periods beginning on or after 1 January 2016
The amendments to IAS 1 include narrow-focus improvements in the following five areas:

- Materiality – The amendments re-emphasise that, when a standard requires a specific disclosure, the information must be assessed to determine whether it is material and, consequently, whether presentation or disclosure of that information is warranted.

- Disaggregation and subtotals – The amendments clarify that specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position may be disaggregated. For additional subtotals presented in the statement(s) of profit or loss and other comprehensive income, an entity must also present the line items that reconcile any such subtotals with the subtotals or totals currently required in IFRS for such statement(s).

- Notes structure – The amendments clarify that entities have flexibility as to the order in which they present the notes to financial statements, but also emphasise that understandability and comparability should be considered by an entity when deciding on that order.

- Disclosure of accounting policies – The amendments remove the examples of significant accounting policies in the Standard, i.e., the income taxes accounting policy and the foreign currency accounting policy, as these were considered unhelpful in illustrating what significant accounting policies could be.

- Presentation of items of other comprehensive income arising from equity accounted investments – The amendments also clarify that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/ accounting policies are not required for these amendments.

The management does not anticipate a material impact on the Group's consolidated financial statements from application of this amendment.

4. Summary of significant accounting policies

4.1 Overall considerations

The significant accounting policies that have been used in the preparation of the Group's financial statements are summarised below. The consolidated and Company financial statements have been prepared using the measurement bases specified by IFRSs as adopted by the European Union for each type of asset, liability, income and expense. The consolidated and Company financial statements have been prepared on the historical cost basis except that certain financial assets and liabilities are stated at fair value. The measurement bases are more fully described in the accounting policies below.

4.2 Basis of preparation

The consolidated financial statements incorporate the financial statements of the Company and subsidiary, whose main purpose is to provide service in support of the Company's investment activities, drawn up to 31 August each year. However subsidiaries whose main purpose is investment activities have not been consolidated and instead have been measured at fair value through profit or loss. All significant inter-company transactions and balances between Group entities are eliminated on consolidation.

Effective from the beginning of the previous year on 1 September 2014, the Company applied IFRS 10 – Consolidated financial statements and, applying the definition of 'control', Elephant Capital LP was consolidated as a subsidiary. However, since the Company manages and evaluates performance of its financial assets on a fair value basis, in accordance with its documented investment strategy and information about the group is also provided internally on the similar basis to its key management personnel (including board of directors), the Company has changed its accounting policy for its aforementioned investments which were previously consolidated and has now designated them as fair value through profit or loss retrospectively.

Accordingly, the Company has disclosed a restated statement of financial position for the previous year ended 31 August 2015. Refer note 22 for movements in each line item of the statement of financial position between the restated position as presented and that presented in the previous year

Investment Entity

Elephant Capital has multiple unrelated investors and indirectly holds multiple investments through Elephant Capital LP in Tusk investments 1 Limited ("Tusk 1") and Tusk Investments 2 Limited ("Tusk 2"). Elephant Capital has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

(a) Elephant Capital has obtained funds for the purpose of providing investors with investment management services.

(b) Elephant Capital's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the use of a Master-Feeder structure.

(c) The performance of investments made through Elephant Capital LP in Tusk 1 and Tusk 2 are measured and evaluated on a fair value basis.

Elephant Capital controls Tusk 1 and Tusk 2 through its 100% holding of the voting rights and ownership interests in its subsidiary ("Elephant Capital LP").

Elephant Capital and Elephant Capital LP operate as an integrated structure whereby Elephant Capital invests solely into Elephant Capital LP. As at 31 August 2016 and 31 August 2015 there were no capital commitment obligations and no amounts due to Elephant Capital LP for unsettled purchases. Elephant Capital has also not provided any financial or other support to Elephant Capital LP during the year, where there wasn't any contractual obligation to do so.

4.3 Investment in subsidiaries

Investments in subsidiaries which don't meet the definition of service entities are not being consolidated (i.e. Elephant Capital LP, Elephant Investments (General Partner) Limited and Elephant Investments (Carry) Limited) are carried at fair value based upon the net assets value (NAV) of the subsidiaries' financial statements. Management reviews the details of the reported information obtained from the subsidiaries and considers:

- the liquidity of Elephant Capital's holding in Elephant Capital LP or its underlying investments;
- the value date of the NAV provided; and
- any restrictions on redemptions

If necessary, Elephant Capital makes adjustments to the NAV of the subsidiaries to obtain the best estimate of fair value. Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss in the statement of comprehensive income include the change in fair value of the subsidiaries.

However, the investment in subsidiary which meets the definition of a service entity is being consolidated (Elephant 2 Limited) and is being valued at cost less a provision for impairment.

4.4 Foreign currency translation

The consolidated financial statements are presented in pounds sterling (£ or GBP), which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Group's consolidated financial statements all assets, liabilities and transactions of the Group entities are presented in pounds sterling which is the functional currency of all entities within the Group. The functional currency of the entities in the Group has remained unchanged during the reporting period.

4.5 Revenue recognition

Revenue comprises income from investments, interest, dividend and management fees. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured and when the criteria mentioned below have been met:

Interest income
Interest income comprises income from treasury deposits and loans recoverable. Interest income is recognised on an accrual basis using the effective interest method.

Dividend income
Dividend income from investments is recognised when the entity's right to receive payment has been established.

Service fees
Fees earned from the provision of support services are recognised on an accrual basis in accordance with the relevant terms of the agreement in respect thereof.

4.6 Expenses

All expenses are recognised on an accrual basis through profit or loss.

4.7 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws applicable in each jurisdiction and that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

4.8 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs except for financial assets and financial liabilities carried at fair value through profit or loss which are measured initially at fair value and transaction costs are charged to profit or loss.

Subsequent measurement criteria of financial assets and financial liabilities are described below:

Financial assets
For the purpose of subsequent measurement, the Group's financial assets can be classified into the following categories upon initial recognition:
- loans and receivables; and
- financial assets at fair value through profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the

effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

All loans and receivables are subject to review for impairment at least at each reporting date. Further, individually significant loans and receivables are considered for impairment when they are past due or when there is other objective evidence that a specific counterparty will default. Impairment is evaluated by comparison of the carrying value to expected cash flows discounted by original effective interest rate (which is computed at the initial recognition).

In the Company statement of financial position as at 31 August 2015, the investment in subsidiary has been reclassified as loan to subsidiary as it results in a more reliable and better presentation and reflects the economic substance of the transactions.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. The Investment in subsidiaries (i.e. Elephant Capital LP, Elephant Investments (General Partner) Limited and Elephant Investments (Carry) Limited) are carried at fair value based upon the NAV of subsidiaries' financial statements. Further, the Company's and the Group's subsidiaries are investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of underlying financial assets of subsidiaries is managed and its performance evaluated on a fair value basis, in accordance with the documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of Directors and other key management personnel. Accordingly, upon initial recognition the investments are designated by the Company's subsidiaries as "at fair value through profit or loss". Fair value of such underlying investments is determined by reference to active market transactions or using a valuation technique where no active market exists which is done in accordance with IAS 39 and the International Private Equity and Venture Capital Association valuation guidelines.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within net losses/gains on financial assets at fair value through profit or loss, "Investment and other income" or "other financial items", except for impairment of receivables, which is presented as a separate line item on the face of the profit or loss account.

Financial liabilities
The Company's financial liabilities include trade and other payables which are measured subsequently at amortised cost using the effective interest method.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of change in value.

4.10 Equity and reserves

Share capital represents the nominal value of shares that have been issued. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote each at the shareholders' meetings of the Company.

Share premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Distributable capital reserve is a specified reserve created by reclassifying the part of the Company's share premium account for a reduction in the share capital of the Company through buy-back of its own shares. The reserve has been created for the distribution of capital to the equity shareholders.

Retained earnings/accumulated losses include all current and prior period retained net profits or losses. All transactions with owners of the parent are recorded separately within equity.

Gain or loss to the extent unrealised is transferred from retained earnings to "Unrealised investment revaluation reserve" and is transferred to retained earnings upon realisation.

4.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation as a result of a past event that probably will require an outflow of resources and a reliable estimate of the amount of the obligation can be made. A present obligation arises from the presence of a legal or other constructive commitment that has resulted from past events. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date.

A disclosure for a contingent liability is made when there is a present obligation that may, but probably will not, require an outflow of resources. Disclosure is also made in respect of a present obligation as a result of a past event that probably requires an outflow of resource, where it is not possible to make a reliable estimate of the outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

4.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (after deducting attributable taxes) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

5. Significant management judgments in applying accounting policies

Information about significant management judgements that have the most significant effect on the financial statements is summarised below. Critical estimation uncertainties are described in note 6 to the financial statements.

Investments recognised at fair value through profit or loss

The Group has recognised its investments in subsidiaries and subsidiaries' underlying investments at fair value through profit or loss. In accordance with IAS 39, an entity may record an item at fair value through profit or loss if they are either classified as held for trading or if they meet certain conditions and are designated at fair value through profit or loss upon initial recognition.

Notes to Consolidated Financial Statements

6. Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses that have a significant effect on the financial statements.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about the significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, incomes and expenses is provided below:

Fair value of unquoted investments
Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that other market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. Details of the assumptions used and the levels of hierarchy for the investments have been disclosed in note 25.

Impairment
An impairment loss is recognised for the amount by which an asset’s carrying amount exceeds its recoverable amount. To determine the recoverable amount, individually significant assets are considered for impairment when they are past due or when there is other objective evidence that a specific counterparty will default. These assumptions relate to future events and circumstances. The actual results may vary and may cause adjustments to the Group's assets in future financial periods. Impairment loss on investment in subsidiaries and loans to subsidiaries has been recorded in the standalone financial statements of the Company and related information has been disclosed in notes 12 and 13 respectively.

7. Investment and other income

	2016	2015
	£'000	£'000
Interest income	**2**	4
Management fee	**160**	160
Service fee from investee company	**67**	63
	229	227

8. Reversal of impairment provision/ (provision for impairment loss) on loan to subsidiary

	2016	2015
	£‘000	£'000
Reversal of impairment provision/ (provision for impairment loss) on loan to subsidiary	**229**	(436)
	229	(436)

Notes to Consolidated Financial Statements

9. Management fee

Under the terms of the management agreement, the amount of management fee payable from Tusk Investments 1 Limited and Tusk Investments 2 Limited to Elephant 2 Limited (the "Manager") has been fixed at £160 thousand per annum. In addition the Manager is entitled to recover certain expenses.

The management fee of £223 thousand (31 August 2015: £225 thousand) included in the consolidated statement of profit or loss and comprehensive income includes the management fee expense of £160 thousand (31 August 2015: £160 thousand) in respect of a management fee received from Tusk Investments 1 Limited and Tusk Investments 2 Limited and £63 thousand (31 August 2015: £65 thousand) in respect of a service fee of £67 thousand (31 August 2015: £63 thousand) received by the Manager from an investee company, which is included in "Investment and other income".

10. Other expenses

	2016	2015
	£'000	£'000
Administration charges	**118**	131
Directors' fees*	**51**	62
Auditors' remuneration**	**24**	28
	193	221

*Detail of Directors' fees are as follows:

	2016	2015
	£'000	£'000
Vikram Lall (resigned on 11 April 2016)	**17**	28
Francis Anthony Hancock	**18**	18
Elizabeth Tansell (resigned on 7 May 2015)	**-**	11
Vincent Campbell (appointed on 7 May 2015)	**16**	5
	51	62

The Company has no other employees.

	2016	2015
	£'000	£'000
**Auditors' remuneration comprises:		
Audit of Company's annual accounts	**24**	28
	24	28

11. Taxation

The Company is a resident of the Isle of Man for income tax purposes, being subject to the standard rate of income tax, which is currently 0%. Therefore no provision for taxation has been made.

Notes to Consolidated Financial Statements

12. Investments in subsidiaries (Company statement of financial position)

Particulars	2016 £'000	2015 £'000
Elephant Capital LP*	-	
Elephant 2 Limited*	-	-
Elephant Investments (General Partner) Limited*	-	-
Elephant Investments (Carry) Limited*	-	-
Less: Provision for impairment**	(-)	(-)
	-	-

* Amounts have been rounded to the nearest thousand.
** As at 31 August 2016, in the Company financial statements, an impairment analysis of the investment in subsidiary was carried out and, consequently, an impairment loss of £2 was recorded in Elephant 2 Limited (cost being £2), on account of the decline in the realizable value of investments. However, investments in Elephant Capital LP, Elephant Investments (General Partner) Limited and Elephant Investments (Carry) Limited is being carried at fair value through profit or loss, where actual cost of investments is £382, £2 and £0.54, being valued at £nil, £2 and £0.54 respectively.

The Group comprises the following entities:

Name of Subsidiary	Incorporation (or registration) and operation	Proportion of ownership Interest	Proportion of voting Power
Company's share in Group undertakings			
Elephant 2 Limited	Guernsey	100%	100%
Elephant Investments (General Partner)* Limited	England	100%	100%
Elephant Investments (Carry) Limited*	British Virgin Islands	100%	100%
Elephant Capital LP*	England	100%	100%

* represents subsidiaries which has not been consolidated.

13. Loans to subsidiary (Company statement of financial position)

Loans to subsidiary in the standalone financial statements of the Company comprise the following:

Particulars	2016 £'000	2015 £'000
Elephant Capital LP*		
Non-current		
Opening balance	**26,864**	27,464
Add : Repayment during the year	**(55)**	(600)
	26,809	26,864
Less: Provision for impairment**	**(21,748)**	(21,977)
Total	**5,061**	4,887
Elephant 2 Limited* **		
Current		
Opening balance	-	-
Add: Loan given	7	-
Closing balance	7	-

*As at 31 August 2015, a loan of £26,864 thousand was outstanding, given by Elephant Capital to Elephant Capital LP for making investments in certain investee companies in accordance with the investment strategy of the Group. Further, the loan is classified as non-current and has not been discounted to its present value, as the repayment period is not determinable.

**An impairment analysis of loan to subsidiary was carried out by the Company as at 31 August 2016 and, consequently, reversal of impairment loss of £229 thousand was recorded on account of the increase in the value of investments made through Group subsidiary since 31 August 2015.

Further, provision for loss of impairment on loan to subsidiary of £142 thousand has been realised during the year.

*** Loan of £7 thousand was given by Elephant Capital to Elephant 2 Limited. The loan is classified as current as it is repayable on demand.

14. Investments in subsidiaries

Particulars	**2016 £'000**	2015 £'000
Elephant Capital LP*	**-**	-
Elephant Investments (General Partner) Limited*	**-**	-
Elephant Investments (Carry) Limited*	**-**	-
	-	-

* Amounts have been rounded to the nearest thousand.

15. Loans to subsidiary

The Group invested in a portfolio of listed and unlisted securities of businesses operating primarily in India by providing loan to its subsidiary, Elephant Capital LP.

Details of the loans given by Elephant Capital to its subsidiary are as set out below:

Particulars	**2016 £'000**	2015 £'000
Elephant Capital LP*		
Non-current		
Opening balance	**26,864**	27,464
Add : Paid during the year	**(55)**	(600)
	26,809	26,864
Less: Provision for impairment**	**(21,748)**	(21,977)
Total	**5,061**	4,887

* As at 31 August 2015, a loan of £26,864 thousand was outstanding, given by Elephant Capital to Elephant Capital LP in order to provide further funds to Tusk Investments 1 Limited and Tusk Investments 2 Limited for making investments in certain investee companies in accordance with the investment strategy of the Group. Further, the loan is classified as non-current and has not been discounted to its present value, as the repayment period is not determinable.

**An impairment analysis of loan to subsidiary was carried out by the Company as at 31 August 2016 and, consequently, reversal of impairment loss of £229 thousand was recorded on account of the increase in the value of investments made through Group subsidiary since 31 August 2015.

Further, provision for loss of impairment on loan to subsidiary of £142 thousand has been realised during the year.

Notes to Consolidated Financial Statements

16. Receivables

	Group 2016 £'000	**Company 2016 £'000**	Group 2015 £'000	Company 2015 £'000
Other receivable	**12**	**-**	-	-
	12	**-**	-	-

Other receivables are short-term and their carrying values are considered to be a reasonable approximation of their fair value.

17. Cash and cash equivalents

	Group 2016 £'000	**Company 2016 £'000**	Group 2015 £'000	Company 2015 £'000
Cash in current accounts	**448**	**445**	602	590
	448	**445**	602	590

18. Payables

	Group 2016 £'000	**Company 2016 £'000**	Group 2015 £'000	Company 2015 £'000
Trade and other payables	**54**	**39**	64	50
	54	**39**	64	50

All trade and other payables are short-term and their carrying values are considered to be a reasonable approximation of their fair value.

19. Share capital

	2016		2015	
	Number of shares	**£'000**	Number of shares	£'000
Authorised ordinary shares of 1p each	**300,000,000**	**3,000**	300,000,000	3,000
Issued and fully paid ordinary shares of 1p each - beginning of year	**15,117,057**	**151**	20,117,057	201
Buy-back of ordinary 1p shares*	**-**	**-**	(5,000,000)	(50)
	15,117,057	**151**	15,117,057	151

*On 9 March 2015, the Company bought back and cancelled a total of 5,000,000 ordinary shares at a price of 20p per share. The cancellation of share capital is reflected in the share capital and distributable capital reserve accounts in the Company and consolidated statement of change in equity.

The Company's share capital comprises ordinary shares. Rights attached to ordinary shares include the right to vote at the Company's meetings of shareholders including the Annual General Meeting and to receive future dividends.

20. Profit/(loss) and net asset value per share

	2016	2015
Profit/(loss) attributable to ordinary shareholders	**£37,647**	£(657,662)
Issued ordinary shares at the beginning of the year	**15,117,057**	20,117,057
Buy-back of shares	**-**	(5,000,000)
Issued ordinary shares outstanding at the end of the year	**15,117,057**	15,117,057
Weighted average number of shares outstanding	**15,117,057**	17,719,797
Profit/(loss) per share (basic and diluted)	**0.25p**	(3.71p)
Net asset value per share	**£0.36**	£0.36
Total net assets value as at year end	**£5,483,990**	£5,446,360

There were no options in issue to dilute the earnings per share as at 31 August 2016.

21. Financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and liabilities:

Financial assets	**Notes**	**Group 2016 £'000**	**Company 2016 £'000**	Group 2015 £'000	Company 2015 £'000
Investments at fair value through profit or loss *(designated as fair value through profit or loss)*	12 & 14	**-**	**-**	-	-
Loans and receivables					
• Loan to subsidiary	13 & 15	**5,061**	**5,068**	4,887	4,887
• Receivables	16	**12**	**-**	-	-
• Cash and cash equivalents	17	**448**	**445**	602	590
		5,521	**5,513**	5,489	5,477

The loan given to subsidiary classified as non-current has not been discounted to its present value, as the repayment period is not determinable.

The above loans and receivables do not carry any interest income and management considers the fair values to be not materially different from the carrying amounts recognised in the statement of financial position.

Notes to Consolidated Financial Statements

Financial liabilities

	Note	**Group 2016 £'000**	**Company 2016 £'000**	Group 2015 £'000	Company 2015 £'000
Financial liabilities measured at amortised cost:					
Payables	18	**54**	**39**	64	50
		54	**39**	64	50

None of the financial liabilities are interest bearing. Management considers the fair values to be not materially different from the carrying amounts recognised in the statement of financial position as they are expected to be settled within the next one year.

The accounting policies for each category of financial instruments are provided in note 4.8 Information relating to fair values is presented in the related notes. The methods used to determine the fair values are described in note 25. A description of the Group's financial instruments risks, including risk management objectives and policies is given in note 24.

22. Change in accounting policy

During the year, Company has changed its accounting policy with respect to its investment in its subsidiary. The subsidiaries which were previously consolidated are now accounted for at fair value through profit or loss. Comparative amounts have been restated in accordance with the change.

The following adjustments made to each financial statement line item for the comparative period pertains to adjustment made on account of change in accounting policies as explained above.

Consolidated Statement of Financial Position

	As at 31 August 2015 £'000	Adjustments £'000	**As at 31 August 2015 £'000 (Restated)**
ASSETS			
Non-current			
Investments in subsidiaries	-	-	**-**
Financial assets at fair value through profit or loss	4,400	(4,400)	**-**
Loans to subsidiary	-	4,887	**4,887**
	4,400	487	**4,887**
Current			
Prepayments	25	(4)	**21**
Cash and cash equivalents	1,103	(501)	**602**
	1,128	(505)	**623**
Total assets	5,528	(18)	**5,510**
LIABILITIES			
Current			
Payables	82	(18)	**64**
	82	(18)	**64**
Net assets	5,446	-	**5,446**

Notes to Consolidated Financial Statements

EQUITY			
Share capital	151	-	**151**
Share premium	20,752	-	**20,752**
Distributable capital reserve	15,557	-	**15,557**
Unrealised investment revaluation reserve	(8,556)	8,556	**-**
Unrealised revaluation reserve	-	(21,977)	**(21,977)**
Accumulated losses	(22,458)	13,421	**(9,037)**
Total equity	5,446	-	**5,446**

	As at 31 August 2014 £'000	Adjustments £'000	**As at 31 August 2014 £'000 (Restated)**
ASSETS			
Non-current			
Investments in subsidiaries *	-	-	**-**
Financial assets at fair value through profit or loss	4,718	(4,718)	**-**
Loans to subsidiary	-	5,923	**5,923**
	4,718	1,205	**5,923**
Current			
Financial assets at fair value through profit or loss	354	(354)	**-**
Prepayments	27	(5)	**22**
Cash and cash equivalents	2,100	(881)	**1,219**
	2,481	(1,240)	**1,241**
Total assets	7,199	(35)	**7,164**
LIABILITIES			
Current			
Payables	95	(35)	**60**
	95	(35)	**60**
Net assets	7,104	-	**7,104**
EQUITY			
Share capital	201	-	**201**
Share premium	20,752	-	**20,752**
Distributable capital reserve	16,507	-	**16,507**
Unrealised investment revaluation reserve	(9,205)	9,205	**-**
Unrealised revaluation reserve	-	(21,541)	**(21,541)**
Accumulated losses	(21,151)	12,336	**(8,815)**
Total equity	7,104	-	**7,104**

* Amounts have been rounded to the nearest thousand.

Notes to Consolidated Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Year ended 31 August 2015 £'000	Adjustments £'000	**Year ended 31 August 2015 £'000 (Restated)**
Revenue			
Investment and other income	67	160	**227**
Net losses on financial assets at fair value through profit or loss	(256)	256	**-**
Reversal of impairment provision/ (provision for impairment loss) on loan to subsidiary	-	(436)	**(436)**
Net foreign exchange gain/ (losses)	32	(33)	**(1)**
	(157)	(53)	**(210)**
Expenses			
Management fees	(225)	-	**(225)**
Other expenses	(273)	52	**(221)**
Loss before finance costs and tax	(655)	(1)	**(656)**
Finance cost	(3)	1	**(2)**
Loss before tax	(658)	-	**(658)**
Income tax expense	-	-	**-**
Loss after tax	(658)	-	**(658)**
Other comprehensive income for the year	-	-	**-**
Total comprehensive income for the year	(658)	-	**(658)**

Cash Flow Statement

		For the year ended 31 August 2015 £'000	Adjustments £'000	**For the year ended 31 August 2015 £'000 (Restated)**
(a)	**Operating activities:**			
	Loss before tax	(658)	-	**(658)**
	Adjustments for:			
	Interest income	(4)	-	**(4)**
	Net unrealised losses on investments	318	(318)	**-**
	Profit on sale of investments	(62)	62	**-**
	Reversal of impairment provision/ (provision for impairment loss) on loan to subsidiary	-	436	**436**
	Net changes in working capital:			
	Decrease in receivables and prepayments	2	(1)	**1**
	(Decrease)/increase in payables	(13)	17	**4**
	Net cash used in operating activities	(417)	196	**(221)**

Notes to Consolidated Financial Statements

		For the year ended 31 August 2015 £'000	Adjustments £'000	**For the year ended 31 August 2015 £'000**
(b)	**Investing activities:**			
	Proceeds from sale of investments	416	(416)	**-**
	Proceeds from repayment of loan by subsidiary	-	600	**600**
	Interest received	4	-	**4**
	Net cash generated from investing activities	420	184	**604**
(c)	**Financing activities:**			
	Shares bought back for cancellation	(1,000)	-	**(1,000)**
	Net cash used in financing activities	(1,000)	-	**(1,000)**
	Net decrease in cash and cash equivalents	(997)	380	**(617)**
	Cash and cash equivalents at beginning of year	2,100	(881)	**1,219**
	Cash and cash equivalents at end of year	1,103	(501)	**602**

23. Related party transactions

23.1 Related parties

a) key Management Personnel ("KMP")

Names of Directors
Vikram Lall (resigned w.e.f. 11 April 2016)
Francis Anthony Hancock
Vincent Campbell (appointed on 7 May 2015)
Elizabeth Tansell (resigned w.e.f. 7 May 2015)

b) Entities controlled by KMP with whom transactions have taken place during the year:

Elephant Capital LLP

c) Entities controlled by subsidiary:

Tusk Investments 1 Limited
Tusk Investments 2 Limited

d) Associates with whom transactions have taken place during the year:

Global Cricket Ventures Limited

Notes to Consolidated Financial Statements

23.2 The transactions with related parties and balances as at the year-end are summarised below:

(a) Key Management Personnel

Compensation paid to the Company's Board of Directors is disclosed in note 10. It comprises of Directors fees only and there are no post-employment benefits payable to any of the Directors of the Company.

The following amounts were paid on account of Director's fees during each of the years reported:

Nature of transaction	**Year ended 31 August 2016 £'000**	Year ended 31 August 2015 £'000	**Debit/(credit) balance** *(unsecured)* **As at 31 August 2016 £'000**	As at 31 August 2015 £'000
Directors' fees	**51**	62	**(6)**	(10)

(b) Transactions made during the year with related parties other than those with key managerial personnel are as follows:

Nature of transaction	**Year ended 31 August 2016 £'000**	Year ended 31 August 2015 £'000	**Debit/(credit) balance** *(unsecured)* **As at 31 August 2016 £'000**	As at 31 August 2015 £'000
(i) Management fees expense:*				
- Elephant Capital LLP	**223**	225	**12**	-
(ii) Management fees income				
- Tusk Investments 1 Limited	**80**	80	**-**	-
- Tusk Investments 2 Limited	**80**	80	**-**	-
(iii) Other transactions:				
- Service fee from GCV	**67**	63	**(13)**	(11)
- Repayment of loan by Elephant Capital LP**	**55**	600	**5,061**	4,887

* Payments to Elephant Capital LLP paid out of the management fee referred in note 9.
** Outstanding balance represents net amount of loan after provision for impairment.

The Directors are of the opinion that there is no ultimate controlling party.

24 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in note 21. The main types of risks are market risk, credit risk and liquidity risk.

Notes to Consolidated Financial Statements

The Group's risk management is co-ordinated at its headquarters, in close co-operation with the Board of Directors, and focuses actively on minimising the volatility due to its exposure to financial markets and managing long-term financial investments to generate lasting returns.

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, and certain other price risks, which result from both its operating and investing activities.

Market risk
Market risk embodies the potential for both losses and gains and includes currency risk, and price risk. The Group's strategy on the management of market risk is driven by its investment objective, as outlined in the Investment Manager's review. The Group invests in a range of investments, including quoted and unquoted equity securities in a range of sectors. The Board monitors the Group's investment exposure against internal guidelines specifying the proportion of total assets that may be invested in various sectors.

Currency risk

The Group's portfolio comprises predominantly Indian rupee ("INR") denominated investments along with certain unquoted investments denominated in US dollars ("US$") as well. But the reported net asset value is denominated in sterling ("£"). Any depreciation in INR or US$ could have an adverse impact on the performance of the Group. The Group does not enter into any derivative contracts for hedging of INR or US$ exposure.

For the Company's financial statements, all the assets and liabilities are predominantly denominated in £ which is the functional currency of the Company and there are no significant currency risks existing in the Company statement of financial position.

For the Group net short-term exposure in £ equivalents of foreign currency denominated financial assets and liabilities at each reporting date are as follows:

	£'000	**£'000**
Foreign currency	**INR**	**US$**
31 August 2016		
Financial assets	**4,075**	**769**
Financial liabilities	**-**	**19**
Net short -term exposure	**4,075**	**750**
31 August 2015		
Financial assets	3,768	647
Financial liabilities	-	20
Net short-term exposure	3,768	627

As at 31 August 2016, if INR or US$ had weakened by 1% (31 August 2015: 1%) against £ with all other variables held constant, the loss for the year would have been higher and equity would have been lower as follows:

	£'000	**£'000**	**£'000**
Foreign currency	**INR**	**US$**	**Total**
31 August 2016	**41**	**8**	**49**
31 August 2015	38	6	44

The volatility is mainly as a result of foreign exchange losses on translation of INR and US$ denominated financial assets designated at fair value through profit or loss.

If the functional currency had strengthened with respect to the various foreign currencies, there would be an equal and opposite impact on loss and equity for each year.

Price risk

Price risk is a risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. As the majority of the Company's financial instruments are carried at fair value, all changes in the market conditions will directly affect net investment income.

Price risk is mitigated by a diversified portfolio of instruments of subsidiary and direct involvement in the management of the investment portfolio. Further, the subsidiary does not invest more than 25% of its net asset value in any single underlying investment at the time of investment. During the year ended 31 August 2016, the subsidiary's exposure to various industry sectors of underlying investments was not more than 70% in any single industry.

The subsidiary's sensitivity to price risk with regards to its underlying investments in unlisted entities, including Amar Chitra Katha Private Limited and Air Works India (Engineering) Private Limited, cannot be determined because the securities are not marketable. The fair values at the reporting date have been determined in accordance with the guidance provided in International Private Equity and Venture Capital guidelines and IAS 39 (refer to note 25).

In the Company statement of financial position, there are no financial assets whose value is dependent on movement in market prices and thus, no price risk is seen in the Company's financial statements.

Credit risk

Credit risk is the risk that the counterparty fails to discharge an obligation to the Group. The Group's cash, cash equivalents and receivables are actively monitored to avoid significant concentrations of credit risk. The credit risk for cash and cash equivalents is considered negligible, since the Group transacts with reputable banks. The recoverability of debts from investee companies is monitored by the Directors during Board meetings and by review of management accounts.

Loans were provided by Elephant Capital to Elephant Capital LP, which were subsequently lent to Tusk Investments 1 Limited and Tusk Investments 2 Limited for investing in unlisted/listed entities. As at 31 August, 2016 the cumulative impairment of £21,748 thousand (31 August 2015: £21,977 thousand) has been recorded as a consequence of the loss in the value of underlying investments made by the Group's subsidiary. Apart from this, the management considers the credit quality of all other financial assets to be good in the Company's and consolidated financial statements and, thus, these have not been further impaired.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The responsibility for liquidity risk management rests with the Board of Directors who also monitor the short, medium and long-term funding and liquidity management requirements.

As at the reporting date, the Group's and Company's liabilities having contractual maturities (including interest payments where applicable), represented by way of "Trade and other payables", are £54 thousand (31 August 2015: £64 thousand) and £39 thousand (31 August 2015: £50 thousand) respectively. These are expected to be settled within one year.

25 Levels of hierarchy

In accordance with the disclosure requirements of IFRS 13, the following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. As the fair value of the investment in Elephant Capital LP, Elephant Investments (General Partner) Limited and Elephant Investments (Carry) Limited is based on their NAV, Elephant Capital's investment in subsidiaries is classified as a Level 3 measurement as of 31 August 2016. The financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

31 August 2016	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		£'000	**£'000**	**£'000**	**£'000**
Assets:					
Investments in subsidiaries*	14	-	-	-	-
Total		-	-	-	-
Liabilities:		-	-	-	-
Net fair value		-	-	-	-

31 August 2015	Note	Level 1	Level 2	Level 3	Total
		£'000	£'000	£'000	£'000
Assets:					
Investments in subsidiaries*	14	-	-	-	-
Total		-	-	-	-
Liabilities:		-	-	-	-
Net fair value		-	-	-	-

* Amounts have been rounded to the nearest thousand.

There have been no transfers between Levels 1 and 3 during the reporting period.

Notes to Consolidated Financial Statements

The underlying investments through subsidiary are measured at fair value using a discounted cash flow method and therefore classified as Level 3 in the fair value hierarchy. As at 31 August 2015, the fair value of underlying investments was £4,400 thousand whereas as at 31 August 2016, the fair value was £4,838 thousand.

There have been no transfers between Levels 1 and 3 during the reporting period for financial assets and liabilities in subsidiaries.

Measurement of fair value
The Group's Investment Manager performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. The methods and valuation techniques used for the purpose of valuation of underlying investments made by the subsidiaries are given below:

(a) Unlisted securities:
The fair value of the unquoted investments has been determined using appropriate methodology in accordance with International Private Equity and Venture Capital Guidelines and guidance provided in IAS 39.

(i) Global Cricket Ventures ("GCV") – As at 31 August 2016, the Group held a 45.56% equity stake in Global Cricket Ventures Limited (Mauritius) which had been acquired for £5,949 thousand. The Investment is measured at net realizable value of US$ 1,000 thousand (equivalent to £763 thousand) as at 31 August 2016.

(ii) Obopay - Pursuant to the execution of an Agreement and Plan of Merger of OBP Investments, OBP Investments, Inc., stakeholders representative with Obopay Inc. (Obopay), the capital stock of Obopay (except series G Preferred stock) issued and outstanding immediately (including Elephant Capital's holding in series C and Series D preferred stock) prior to the merger was cancelled and extinguished without any conversion thereof and no payment or distribution was made. Therefore the holding of Elephant Capital in Series C and D preferred stock was valued at nil as at 31 August 2015 and the same basis of valuation has been followed for 31 August 2016.

(iii) Amar Chitra Katha ("ACK") - As at 31 August 2016, the Group held a 20.06% equity stake in Amar Chitra Katha (P) Ltd. at a total cost of £4,085 thousand. The investment has been valued based on the "discounted cash flows of the projected future earnings of underlying businesses". The key assumptions used in the valuation of the investment as at 31 August 2016 are as follows:

Weighted average cost of capital	20.04%
Long-term growth rate	5.00%
Discount for lack of marketability	15.00%

(iv) Air Works - As at 31 August 2016, the Group held an aggregate 4.64% (fully diluted basis) stake in Air Works India (Engineering) Private Ltd. at a total cost of £2,922 thousand. The investment has been valued on the "discounted cash flows of the projected future earnings of underlying business". The key assumptions used in the valuation of the investment as at 31 August 2016 are as follows:

Weighted average cost of capital	16.43%
Long term-growth rate	5.00%
Discount for lack of marketability	15.00%

For the investment, Amar Chitra Katha and Air Works, which are valued using the discounted cash flows methodology and are classified as Level 3 at the reporting date, the Company adjusted the discount rate and growth rate assumptions within a range of reasonably possible alternatives. The extent of the adjustment varied according to the characteristics of each security. For results of the sensitivity analysis, refer to the table below:

Particulars	**2016** **£'000**	2015 £'000
Change by +50 basis points		
Weighted average cost of capital	**(206)**	(232)
Long-term growth rate	**166**	191
Change by -50 basis points		
Weighted average cost of capital	**224**	255
Long-term growth rate	**(153)**	(174)

Besides the above there are other unobservable inputs for cash flow projections. Significant increases/(decreases) in any of those inputs in isolation would result in a significantly lower/(higher) fair value measurement.

For the remaining investments classified as Level 3, due to the absence of any reasonably possible alternative assumptions for these investments, a sensitivity analysis has not been performed.

26 Capital management policies and procedures

The Group's capital management objectives are:

(i) to ensure the Group's ability to continue as a going concern; and
(ii) to manage the existing portfolio and to create liquidity to return cash to shareholders.

The Group invests in both private and public businesses and across the small, mid and large-cap range of companies and actively manages a concentrated portfolio of investments. It manages its affairs to generate shareholder returns primarily through capital growth, and monitors the achievement of this through growth in net asset value per share. The capital structure of the Group represents only shareholders' funds in the form of share capital, share premium and reserves. The Group does not have any external debt. The Group is not subject to externally imposed capital requirements.

The Group	**2016** **£'000**	2015 £'000
Total equity	**5,484**	5,446
Total debts	**-**	-
Overall financing	**5,484**	5,446

27 Segmental information

The Directors have considered the provisions of IFRS 8 in relation to segmental reporting and concluded that the Group's activities form a single segment under the standard. From a geographical perspective, the

Group's substantial underlying investments made by subsidiaries are mostly focused in India. Equally, in relation to business segmentation, the Group's underlying investments made by subsidiaries are predominantly in the small and mid-cap businesses and it is considered that, the risks and rewards are not materially different whether the investments are listed or unlisted. However, an analysis of the unlisted investments is provided in note 25.

There are no material reconciling items between the information reported to the Board of Directors, considered as Chief Operating Decision Maker, and that presented in the financial statements.

28 Events after the reporting date

(i) Global Cricket Ventures Limited ("GCV") - In September 2016, the Company divested its entire holding in GCV for US$ 1000 thousand through a Share Buyback agreement. Thus, exit price under buy back arrangement has been considered for valuation of investment.

(ii) The Company has dissolved its 100% subsidiary Elephant Investments (Carry) Limited with effect from 10 October, 2016 under British Virgin Islands Business Companies act, 2004.

(iii) On 26 May 2016, the shareholder of Tusk Investments 2 Limited approved the resolution for liquidation of the company, following which Company has applied for dissolution under Mauritius Insolvency Act, 2009.

ELEPHANT CAPITAL PLC (the "Company")

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ at 10.00 a.m. on 5 April 2017 for the transaction of the following business:

ORDINARY BUSINESS

As ordinary business to consider and, if thought fit, to pass the following resolutions, each of which will be proposed as ordinary resolutions:

1. THAT the Company's annual accounts for the year ended 31 August 2016, together with the Directors' report and the auditors' report thereon, be received and adopted.

2. THAT Grant Thornton Limited (Isle of Man) be reappointed as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which financial statements are laid before the Company and that the Directors be authorised to fix the auditors' remuneration.

Registered office:
Clinch's House,
Lord Street, Douglas,
Isle of Man, IM99 1RZ

Dated: 28 February 2017
By Order of the Board
Vincent Campbell
Secretary

<u>Notes</u>

The attention of members is drawn to the following notes which form part of the Notice:

1. The members of the Company entitled to attend and vote at the meeting are the holders of ordinary shares of £0.01 each in the capital of the Company.

2. A member entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy to attend, speak and vote instead of him. A proxy need not to be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member. A member may not appoint more than one proxy to exercise rights attached to any one share. A form of proxy is enclosed for shareholders. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person should he wish to do so.

3. Upon a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote, and upon a poll every member present in person, by representative (in the case of corporation) or by proxy shall have one vote for every share held by him/her.

4. To be effective a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority must be delivered to the Company Secretary at the Company's registered office, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, either by personal delivery, post or facsimile transmission (+44(0)1624 691773) as soon as possible but, in any event, by no later than 10.00 a.m. on 3 April 2017.

5. The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2005 of the Isle of Man, specifies that only those shareholders registered in the register of members of the Company as at 10.00 a.m. on 3 April 2017 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjournment meeting, shall be entitled to attend or vote at the aforesaid annual general meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the register of members of the Company after 10.00 a.m. on 3 April 2017 or, in the event that the meeting is adjourned, in the register of members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

6. In the case of joint registered holders of any shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders are shown in the register of members.

ELEPHANT CAPITAL PLC (the "Company")

Form of Proxy for use at 2017 Annual General Meeting

(PLEASE COMPLETE IN BLOCK CAPITALS)

I/We (see note 1) ....

of..

……………………………………………………………………………………………………

being a shareholder of the Company hereby appoint the Chairman of the meeting or (see note 2)

as my/our proxy to attend, represent and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ at 10.00 a.m. on 5 April 2017 and at any adjournment thereof.

I/We direct my/our proxy to vote on the resolutions set out in the notice convening the Annual General Meeting as I/we have indicated below by marking the appropriate box with an "X". If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is properly put before the Annual General Meeting or any adjournment thereof.

Please clearly mark the box below to instruct your proxy how to vote.

Resolution		**For**	**Against**	**Abstain**
1.	THAT the Company's annual accounts for the year ended 31 August 2016, together with the Directors' report and the auditors' report thereon, be received and adopted.			
2.	THAT Grant Thornton Limited (Isle of Man) be reappointed as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which financial statements are laid before the Company and that the Directors be authorised to fix the auditors' remuneration.			

Signature(s) ……………………………………..………….

Print Name ……………………………………..………….

Date ……………………………………..………….

Notes:

1. Full name(s) and address(s) to be inserted in BLOCK CAPITALS. The name of all joint holders should be stated.

2. If you wish to appoint a person other than the Chairman of the meeting, you should insert their full name in the box. Such proxy need not also be a member of the Company.

3. This form must (a) in the case of an individual be signed by the appointor or his attorney duly authorised in writing; and (b) in the case of a corporation, be executed under its common seal or signed by an officer or attorney so authorised.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. To be effective, forms of proxy must be delivered to the Company Secretary at the Company's registered office, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, either by personal delivery, post or facsimile transmission (+44(0)1624 691773) as soon as possible but, in any event, by no later than 10.00 a.m. on 3 April 2017. Completion and return of a form of proxy will not preclude a member from attending and voting at the Meeting or at any adjournment thereof in person if he or she wishes to do so.

6. To direct your proxy how to vote on the resolutions, mark the appropriate box with an "X". The "Abstain" option is provided to enable you to withhold your vote on any particular resolution. It should be noted that a vote withheld is not a vote in law and will not be counted as a vote "For" or "Against" a resolution.

7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, additional proxy form(s) may be obtained from the Company Secretary at the address set out in note 5.

8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.