

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

20 INTANGIBLE ASSETS

(a) THE GROUP	Computer software	Banking software	Other	Assets in progress	Goodwill	Customer relations	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
COST							
At 1 July 2017	33,314	112,156	8,039	60,070	212,116	124,609	550,304
Additions	19,375	83,049	1,832	18,553	-	-	122,809
Capitalisation of assets in progress	1,822	26,415	1,308	(29,545)	-	-	-
Assets written off	-	-	(2,074)	-	-	-	(2,074)
At 30 June 2018	54,511	221,620	9,105	49,078	212,116	124,609	671,039
At 1 July 2018	54,511	221,620	9,105	49,078	212,116	124,609	671,039
Additions for the year	4,412	8,936	526	19,818	-	-	33,692
Capitalisation of assets in progress	18,755	10,763	-	(29,518)	-	-	-
Recognised to Expense	-	-	-	(1,293)	-	-	(1,293)
At 30 June 2019	77,678	241,319	9,631	38,085	212,116	124,609	703,438
At 1 July 2019	77,678	241,319	9,631	38,085	212,116	124,609	703,438
Additions for the year	5,195	3,170	-	59,158	-	-	67,523
Capitalisation of assets in progress	1,056	10,235	-	(11,291)	-	-	-
At 30 June 2020	83,929	254,724	9,631	85,952	212,116	124,609	770,961

ACCUMULATED AMORTISATION/IMPAIRMENT LOSS

At 1 July 2017	15,601	37,110	4,969	-	77,213	80,917	215,810
Charge for the year	7,348	18,323	1,359	-	-	10,280	37,310
At 30 June 2018	22,949	55,433	6,328	-	77,213	91,197	253,120
At 1 July 2018	22,949	55,433	6,328	-	77,213	91,197	253,120
Charge for the year	11,958	25,291	1,353	-	-	33,412	72,014
Impairment loss	-	-	-	-	134,903	-	134,903
At 30 June 2019	34,907	80,724	7,681	-	212,116	124,609	460,037
At 1 July 2019	34,907	80,724	7,681	-	212,116	124,609	460,037
Charge for the year	12,923	26,912	1,099	-	-	-	40,934
At 30 June 2020	47,830	107,636	8,780	-	212,116	124,609	500,971

NET CARRYING AMOUNT

At 30 June 2020	36,099	147,088	851	85,952	-	-	269,990
At 30 June 2019	42,771	160,595	1,950	38,085	-	-	243,401
At 30 June 2018	31,562	166,187	2,777	49,078	134,903	33,412	417,919

The directors have reviewed the carrying amount of the Group's intangible assets and are of the opinion that no impairment is required at the reporting date (2019 and 2018: Nil).

(a) CUSTOMER RELATIONS

Customer relations arising on acquisition of ACML represent that income stream that both investees are expected to generate based on the good relations that were previously developed and maintained with their customers. The customer relations were fully amortised during the year ended 30 June 2019.

(b) IMPAIRMENT TESTING OF GOODWILL

Goodwill generated on acquisition of ACML was fully impaired during the year ended 30 June 2019, as a result of the fall in the financial performance of ACML. The impairment review was based on a value-in-use calculation using cash flow projections from financial budgets reviewed by senior management covering a five year period. The discount rate used was 15.6% in 2019 and 12% in 2018.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

20 INTANGIBLE ASSETS (CONTINUED)

(b) THE BANK

COST

	Computer software	Banking software	Other	Assets in progress	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2017	32,722	112,157	8,036	60,070	212,985
Additions for the year	19,375	83,049	1,832	18,553	122,809
Reclassification of assets in progress	1,822	26,415	1,308	(29,545)	-
Assets written off	-	-	(2,074)	-	(2,074)
At 30 June 2018	53,919	221,621	9,102	49,078	333,720
At 1 July 2018	53,919	221,621	9,102	49,078	333,720
Additions for the year	4,412	8,936	526	19,818	33,692
Capitalisation of assets in progress	18,755	10,763	-	(29,518)	-
Recognised to expense	-	-	-	(1,293)	(1,293)
At 30 June 2019	77,086	241,320	9,628	38,085	366,119
At 1 July 2019	77,086	241,320	9,628	38,085	366,119
Additions for the year	5,111	3,170	-	59,158	67,439
Capitalisation of assets in progress	1,056	10,235	-	(11,291)	-
At 30 June 2020	83,253	254,725	9,628	85,952	433,558

ACCUMULATED AMORTISATION/IMPAIRMENT LOSS

At 1 July 2017	15,051	37,110	4,969	-	57,130
Charge for the year	7,323	18,323	1,359	-	27,005
At 30 June 2018	22,374	55,433	6,328	-	84,135
At 1 July 2018	22,374	55,433	6,328	-	84,135
Charge for the year	11,942	25,291	1,353	-	38,586
At 30 June 2019	34,316	80,724	7,681	-	122,721
At 1 July 2019	34,316	80,724	7,681	-	122,721
Charge for the year	12,912	26,912	1,099	-	40,923
At 30 June 2020	47,228	107,636	8,780	-	163,644

CARRYING AMOUNT

At 30 June 2020	36,025	147,089	848	85,952	269,914
At 30 June 2019	42,770	160,596	1,947	38,085	243,398
At 30 June 2018	31,545	166,188	2,774	49,078	249,585
NET BOOK VALUE AS AT 30 JUNE 2020					
SEGMENT A	16,366	66,816	385	39,044	122,611
SEGMENT B	19,659	80,273	463	46,908	147,303
	36,025	147,089	848	85,952	269,914
NET BOOK VALUE AS AT 30 JUNE 2019					
SEGMENT A	15,937	59,842	725	14,191	90,695
SEGMENT B	26,833	100,754	1,222	23,894	152,703
	42,770	160,596	1,947	38,085	243,398
NET BOOK VALUE AS AT 30 JUNE 2018					
SEGMENT A	9,148	48,195	804	14,233	72,380
SEGMENT B	22,397	117,993	1,970	34,845	177,205
	31,545	166,188	2,774	49,078	249,585

The directors have reviewed the carrying amount of the Bank's intangible assets and are of the opinion that no impairment is required at the reporting date (2019 and 2018: Nil).