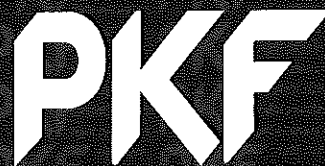


**IGNITION TELECOMS INVESTMENTS
PROPRIETARY LIMITED
AND ITS SUBSIDIARIES**
(REGISTRATION NUMBER 2010/016551/07)
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015



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C H A R T E R E D A C C O U N T A N T S & B U S I N E S S A D V I S E R S

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

INDEX

The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholders:

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Level of assurance

These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.

These consolidated annual financial statements were prepared under the supervision of:

Gareth Ducler CA(SA)

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

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

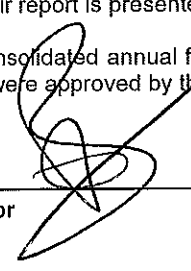
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal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

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

The directors have reviewed the group's cash flow forecast for the year to 29 February 2016 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on pages 3 to 4.

The consolidated annual financial statements set out on pages 8 to 59, which have been prepared on the going concern basis, were approved by the board on 9 September 2015 and were signed on its behalf by:



Director

Director



chartered accountants
& business advisers

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Ignition Telecoms Investments Proprietary Limited and its subsidiaries

We have audited the consolidated annual financial statements of Ignition Telecoms Investments Proprietary Limited and its subsidiaries, as set out on pages 8 to 59, which comprise the consolidated statement of financial position as at 28 February 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Annual Financial Statements

The directors are responsible for the preparation and fair presentation of these consolidated annual financial statements in accordance with International Financial Reporting Standards and requirements of the Companies Act, 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of Ignition Telecoms Investments Proprietary Limited and its subsidiaries as at 28 February 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

PKF Durban

(formerly David Strachan & Tayler)

Chartered Accountants (SA) Registered Auditors

Telephone (+27) 031 573 5000

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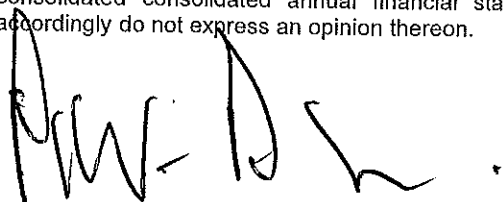
E-mail info.dbn@pkf.co.za | www.pkf.co.za

Partners: K Gertenbach (Managing Partner) RC Boule KJ Dall PS Gering A Hariparsad RJ Kelly TC Marti-Warren NM Hardy K Moodley GJ Morgan G-J Nijhuis AE Paruk H Paruk M Schroeder RL Speed

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Other reports required by Companies Act, 71 of 2008

As part of our audit of the consolidated consolidated annual financial statements for the year ended 28 February 2015, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited consolidated consolidated annual financial statements. The directors' report is the responsibility of the director. Based on reading that report we have not identified material inconsistencies between it and the audited consolidated consolidated annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.



PKF Durban
Registered Auditor
Chartered Accountants (SA)
Practice number: 906352E
Per: R.C. Boule
Durban
9 September 2015

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated annual financial statements of Ignition Telecoms Investments and its subsidiaries for the year ended 28 February 2015.

1. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. The accounting policies have been applied consistently compared to the prior year unless otherwise stated.

The group is engaged in information technology, telecommunication service provision, short and long term insurance and operates principally in South Africa.

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

2. Authorised and issued share capital

Refer to note 18 of the consolidated annual financial statements for detail of the movement in authorised and issued share capital.

3. Directors

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

S.R. Bergsma	South African	
D.J. Bergsma	South African	
K.A. Pitout	South African	Resigned 15 August 2014
R. Fogel	American	Appointed 24 July 2014
J. Willoughby-Williams	South African	Appointed 24 July 2014

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

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

6. Auditors

The directors recommend that PKF Durban continued in office as auditors for the group for 2015 in accordance with the Companies Act 71, of 2008.

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

DIRECTORS' REPORT

7. Secretary

The group had no secretary during the year. The registered office of the group is:

Quadrant 4 Centenary Building
30 Meridian Drive
Umhlanga New Town Centre
Umhlanga
4301

The main business address of the group is:

Quadrant 4 Centenary Building
30 Meridian Drive
Umhlanga New Town Centre
Umhlanga
4301

8. Restructuring of the business

Senior Secured Notes

On the 24 July, 2014 the group entered into an agreement to sell US\$50 000 000 of the group's newly issued Senior Secured Notes to certain Purchasers.

The proceeds from the sale of the Senior Secured Notes will be utilised to settle certain liabilities, fund the purchase of businesses and capitalise the group.

The principal of US\$50 000 000 is repayable on 24 July, 2019.

Interest at a rate of 13% per annum is payable quarterly in arrears commencing 15 September 2014.

The Senior Secured Notes will not be redeemable at the option of the group prior to 25 January, 2017, thereafter the group has the right to redeem the Senior Secured Notes subject to certain terms and conditions.

As security all the companies within the group have ceded specified shares and assets to a Security SPV who in turn will provide a limited recourse guarantee in favour of the Purchasers of the Senior Secured Notes. The specified shares and assets in each company in the group are:

- the issued shares in each company in the group including the holding company;
- the shareholder of the holding company's loans to any company in the group;
- the intercompany loans and claims between group companies;
- the bank accounts;
- the insurances;
- the investments;
- the receivables;
- the intellectual property rights; and
- the related rights,

The group has indemnified the Security SPV for any obligations it may incur in relation to these Senior Secured Notes. Refer to note 32.

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

DIRECTORS' REPORT

Issue of Class B ordinary shares

The group has issued 100 Class B Ordinary Shares of R1 per share in the holding company to the Purchasers. These shares have equal rights to the existing ordinary shares save for certain dividend restrictions in the early stages of the Senior Secured Notes term.

The group listed the Senior Secured Notes on the Singapore Stock Exchange on 18 December 2014.

Business acquisitions

During the year the group made the following acquisitions:

Comit Technologies Proprietary Limited

On 24 July, 2014 the group holding company purchased the Value Added Service business unit from the subsidiary Comit Technologies Proprietary Limited for R517 039 577. -

So Music Industries Proprietary Limited

On 24 July, 2014 the group holding company purchased the Value Added Service business unit from the subsidiary So Music Industries Proprietary Limited for R147 128 505.

360 Admin Proprietary Limited

On 24 July, 2014 the group acquired 100% of the voting equity interest in 360 Admin Proprietary Limited for the amount of R69 835 066, which resulted in the group obtaining control over 360 Admin Proprietary Limited. 360 Admin Proprietary Limited is principally involved in the short-term insurance industry.

Goodwill of R 50 126 458 arising from the acquisition consists largely of synergies and economies of scale expected from combining the operations of the entities, as well as from intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

Ucingo Administration 321 Proprietary Limited

On 1 August 2014 the group acquired the remaining 25% voting equity interest in Ucingo Administration 321 Proprietary Limited for the amount of R8 743 100, which resulted in the group obtaining 100% control over Ucingo Administration 321 Proprietary Limited. Ucingo Administration 321 Proprietary Limited is principally involved in the short term and life insurance industry.

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2015

	Notes	2015 R	Restated 2014 R	Restated 2013 R
Assets				
Non-Current Assets				
Property, plant and equipment	3	13 575 314	9 888 821	6 522 426
Goodwill	4	257 070 494	206 944 136	206 944 136
Intangible assets	5	24 552 964	22 711 437	3 000 000
Investments in cell captives	6	20 522 982	46 267 020	21 703 946
Investments in associates	7	45	45	-
Loans to shareholders	8	-	44 072	-
Investments	9	5 279 832	23 689 414	15 171 668
Loans to related entities	10	29 023 992	450 690	4 157 348
Loan to other entity	11	434 686	-	-
Deferred taxation	12	24 733 216	1 457 043	-
Assets arising from insurance contracts	13	2 815 209	3 963 889	-
		378 008 734	315 416 567	257 499 524
Current Assets				
Inventories	14	1 523 914	6 712 202	4 270 894
Current tax receivable		20 302 371	5 710 150	9 699 678
Insurance receivable	15	12 838 372	9 797 644	-
Trade and other receivables	16	150 228 502	42 779 637	21 747 476
Cash and cash equivalents	17	168 560 540	80 703 203	77 315 494
		353 453 699	145 702 836	113 033 542
Total Assets		731 462 433	461 119 403	370 533 066
Equity and Liabilities				
Equity				
Share capital	18	8 200 530	98 282 146	98 282 146
Other reserves		5 694 812	4 044 479	28 841
Accumulated loss		(3 035 875)	126 154 618	61 213 588
		10 859 467	228 481 243	159 524 575
Non-controlling interest		-	48 547 571	30 035 459
		10 859 467	277 028 814	189 560 034
Liabilities				
Non-Current Liabilities				
Loans from related entities	10	75	2 095	9 929 378
Loans from shareholders	8	997 220	53 841 069	122 055 113
Deferred taxation	12	14 082 421	24 086 919	15 745 454
Interest bearing borrowings	19	579 839 174	40 095 414	-
Operating lease straight-line liability		313 730	412 414	573 892
		595 232 620	118 437 911	148 303 837
Current Liabilities				
Current tax payable		6 007 335	-	-
Finance lease obligation		94 504	-	-
Trade and other payables	20	94 998 757	37 846 891	18 513 195
Provisions	21	8 638 002	6 444 650	-
Current portion of interest bearing borrowings	19	15 631 748	21 361 137	14 156 000
		125 370 346	65 652 678	32 669 195
Total Liabilities		720 602 966	184 090 589	180 973 032
Total Equity and Liabilities		731 462 433	461 119 403	370 533 066

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2015 R	Restated 2014 R
Revenue		657 525 794	431 974 132
Cost of sales		(298 004 391)	(216 499 652)
Gross profit		359 521 403	215 474 480
Other income		5 913 844	51 139 517
Operating expenses		(351 803 016)	(148 955 449)
Operating profit	23	13 632 231	117 658 548
Investment revenue	24	5 009 958	3 244 997
Finance costs		(46 195 572)	(3 463 857)
(Loss)/Profit before taxation		(27 553 383)	117 439 688
Taxation	25	18 417 947	(29 736 546)
(Loss)/Profit for the year		(9 135 436)	87 703 142
<i>Other comprehensive income:</i>			
<i>Items that may be reclassified to profit or loss:</i>			
Available-for-sale investments adjustment	9	1 650 333	4 015 638
Other comprehensive income for the year net of taxation		1 650 333	4 015 638
Total comprehensive (loss)/income for the year		(7 485 103)	91 718 780
<i>(Loss) profit attributable to:</i>			
Owners of the parent		(18 722 471)	64 941 030
Non-controlling interest		9 587 035	22 762 112
		(9 135 436)	87 703 142
<i>Total comprehensive (Loss)/income attributable to:</i>			
Owners of the parent		(17 072 138)	68 956 668
Non-controlling interest		9 587 035	22 762 112
		(7 485 103)	91 718 780
<i>Earnings per share</i>			
Basic earnings per share (cents)	26	(1 657 973)	12 988 206

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital		Share premium		Total share capital		Fair value adjustment Available-for-sale Investments		Accumulated loss		Total attributable to equity holders of the group		Non-controlling interest		Total equity	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Restated balance at 01 March 2013	500		98 281 646		98 282 146		28 841		61 213 588		159 524 575		30 035 459		189 560 034	
Profit for the year	-		-		-		-		64 941 030		64 941 030		22 762 112		87 703 142	
Other comprehensive income	-		-		-		4 015 638		-		4 015 638		-		4 015 638	
Total comprehensive income for the year	-		-		-		-		64 941 030		68 956 668		22 762 112		91 718 780	
Dividends declared	-		-		-		-		-		-		(4 250 000)		(4 250 000)	
Total contributions by and distributions to owners of company recognised directly in equity	-		-		-		-		-		-		(4 250 000)		(4 250 000)	
Restated balance at 01 March 2014	500		98 281 646		98 282 146		4 044 479		126 154 618		228 481 243		48 547 571		277 028 814	
Loss for the year	-		-		-		-		(18 722 471)		(18 722 471)		9 587 035		(9 135 436)	
Other comprehensive income	-		-		-		1 650 333		-		1 650 333		-		1 650 333	
Total comprehensive Loss for the year	-		-		-		1 650 333		(18 722 471)		(17 072 138)		9 587 035		(7 485 103)	
Issue of shares	178		118 619 881		118 620 059		-		-		118 620 059		-		118 620 059	
Share buy back	(100)		(101 330 738)		(101 330 838)		-		-		(101 330 838)		-		(101 330 838)	
Dividends declared	-		-		-		-		(110 468 022)		(110 468 022)		(8 487 492)		(118 955 514)	
Changes in ownership interest - control not lost	-		(107 370 837)		(107 370 837)		-		-		(107 370 837)		(49 647 114)		(157 017 951)	
Total contributions by and distributions to owners of company recognised directly in equity	78		(90 081 694)		(90 081 616)		-		(110 468 022)		(200 549 638)		(58 134 606)		(258 684 244)	
Balance at 28 February 2015	578		8 199 952		8 200 530		5 694 812		(3 035 875)		10 859 467		-		10 859 467	
Note	18		18		18											

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2015 R	Restated 2014 R
Cash flows from operating activities			
Cash receipts from customers		550 076 929	410 941 971
Cash paid to suppliers and employees		(559 822 502)	(345 786 663)
Cash (used in)/generated from operations	27	(9 745 573)	65 155 308
Investment revenue		5 009 958	3 244 997
Finance costs		(30 563 824)	(3 463 857)
Taxation paid	28	(20 905 845)	(18 788 999)
Net cash from operating activities		(56 205 284)	46 147 449
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(7 855 232)	(6 906 295)
Proceeds from sale of assets	3	1 850 438	-
Purchase of intangible assets	5	(4 213 496)	(2 439 855)
Business combinations	29	(56 666 330)	9 484 489
Movement in investments		20 059 916	(4 502 108)
Net cash from investing activities		(46 824 704)	(4 363 769)
Cash flows from financing activities			
Loan advanced to other entity	18	(434 686)	-
Loans received from related entities		258 573	3 706 614
Loans repaid to related entities		-	(12 823 609)
Movement in interest bearing borrowings		468 503 063	43 229 140
Repayment of shareholders loan		(145 826 592)	(68 258 116)
Finance lease payments		(58 815)	-
Dividends paid		(38 987 493)	(4 250 000)
Dividends received		47 162 182	-
Share buy back		(101 330 837)	-
Acquisition of shares from non-controlling interest		(38 398 070)	-
Net cash from financing activities		190 887 325	(38 395 971)
Total cash movement for the year		87 857 337	3 387 709
Cash at the beginning of the year		80 703 203	77 315 494
Total cash at end of the year	17	168 560 540	80 703 203

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

ACCOUNTING POLICIES

1. Presentation of consolidated annual financial statements

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act, 71 of 2008. The consolidated annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the changes set out in note 2, first-time adoption of International Financial Reporting Standards and note 37 prior period restatement.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include:

Trade receivables and trade payables

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

Available-for-sale financial assets

The group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Business combinations

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the consideration transferred to the fair value of the identifiable assets acquired and the liabilities assumed, some of which are determined using, to a considerable extent, management's judgement.

Significant influence over MRP Mobile Proprietary Limited

MRP Mobile Proprietary Limited is an associate of the group with a 45% voting right. Significant influence arises by virtue of the group's voting right and contractual right to appoint up to two directors on the board of directors of MRP Mobile Proprietary Limited.

Liabilities arising from claims under short term insurance contracts

The estimation of the ultimate liability arising from claims under short term insurance contracts has several sources of uncertainty. The risk environment can change suddenly and unexpectedly owing to a wide range of events or influences. There is no absolute certainty in respect of identifying risks at an early stage, measuring them sufficiently or correctly estimating their real hazard potential.

Life insurance contracts

The key assumptions used in the determination of the life insurance contract liabilities and assets are determined by actuaries. By their nature, assumptions require complex or subjective judgements or assessments.

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

ACCOUNTING POLICIES

1.1 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated taxation audit issues based on estimates of whether additional taxes will be due. Where the final taxation outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxation and deferred taxation provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income taxation assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income taxation assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing taxation laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred taxation assets recorded at the end of the reporting period could be impacted.

IGNITION TELECOMS INVESTMENTS PROPRIETARY LIMITED AND ITS SUBSIDIARIES

(Registration number 2010/016551/07)

Consolidated Annual Financial Statements for the year ended 28 February 2015

ACCOUNTING POLICIES

1.1 Significant judgements and sources of estimation uncertainty (continued)

Fair value measurement and valuation processes

The group measures some of its assets and liabilities at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The measurement of a non-financial asset at fair value takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Intangible assets

Intangible assets with infinite and finite useful lives arise from both separate purchases and from acquisitions as part of business combinations.

The useful lives used to amortise intangible assets relate to the future performance of the assets acquired and management's judgement of the period over which economic benefits will be derived from the assets. The residual values of intangible assets are assumed to be zero.

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1.1 Significant judgements and sources of estimation uncertainty (continued)

Residual values

Plant and machinery

Due to the specialised nature of the group's plant and machinery, the residual value attached to these assets has been estimated to be nil. The group estimates that the useful life of the plant and machinery, being the period of time for which the assets can be utilised without significant modifications, replacements or improvements is based on current levels of production and repairs and maintenance costs incurred.

Motor vehicles

The group has a policy of utilising all motor vehicles for a period of 5 years. The directors have estimated that the useful life of motor vehicles be 5 years based on their best estimate. The directors do not expect a significant value in proceeds upon the sale of the assets at the end of their useful lives, and therefore assigned a residual value of nil to these assets.

Furniture, fixtures and office equipment

The useful life of all furniture, fixtures and office equipment is estimated to be the period of time the assets can be utilised and is based on the directors best estimate. The directors do not expect a significant value in proceeds upon the sale of the assets at the end of their useful lives, and have therefore assigned a residual value of nil to these assets.

Computer equipment

Due to technological obsolescence the directors have assessed the useful life of computer equipment and computer software at 3 years and 2 years respectively. The residual values of these assets have been estimated to be nil as these assets having no re-sale value at the end of their useful lives due to technological advancements.

Other categories of property, plant and equipment

The useful lives of the other categories of property, plant and equipment have been assessed based on the directors' best estimate and industry norms.

The residual value attached to these assets has been estimated to be nil as the directors do not expect significant proceeds when these assets are sold at the end of their useful lives due to the nature of these assets.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use and which are expected to be used for more than one year.

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of Property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years
Plant and machinery	4 years
Demountable partitions	6 years
Leasehold improvements	5 years

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1.2 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date.

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The life insurance licence is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for on these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Life insurance license	Indefinite
Telco subscriber base	5 years
Vehicle tracking subscriber base	2 years
Computer software	3 years
Administration system developed	3 years

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1.4 Goodwill

Goodwill on acquisitions comprises the excess of the aggregate of the fair value of the consideration transferred, the fair value of any previously held interests, and the recognised value of the non-controlling interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1.5 Investments in subsidiaries

Investments in cell captives are carried at fair value through profit or loss.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.6 Investments in cell captives

Investments in cell captives are initially recognised at fair value.

Subsequently, changes in the fair value of the investments in cell captives are recognised in profit and loss.

1.7 Financial instruments

Classification

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

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

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

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

No other reclassifications may be made into or out of the fair value through profit or loss category.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

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1.7 Financial instruments (continued)

Initial recognition and measurement

Financial instruments are recognised initially at cost when the group becomes a party to the contractual provisions of the instruments.

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

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

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

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

Subsequent measurement

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

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

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

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

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

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

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1.7 Financial instruments (continued)

Impairment of financial assets

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

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

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

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial instruments designated as at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss comprise mostly investments in cell captives.

Subsequent to initial recognition financial assets at fair value through profit or loss are stated at fair value. Movements in the fair value are recognised in profit and loss.

For unlisted investments, the fair value is determined using appropriate valuation techniques with reference made to the net asset value of the cell captive.

Loans to/(from) related entities

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

Loans to related entities are classified as loans and receivables.

Loans from related entities are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables

Trade and other receivables are classified as loans and receivables

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ACCOUNTING POLICIES

1.7 Financial Instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the group has the positive intention and ability to hold to maturity are classified as held to maturity.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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1.8 Taxation

Current taxation assets and liabilities

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

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

Deferred taxation assets and liabilities

A deferred taxation liability is recognised for all taxable temporary differences, except to the extent that the deferred taxation liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred taxation asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred taxation asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Taxation expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the taxation arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current taxation and deferred taxes are charged or credited to other comprehensive income if the taxation relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current taxation and deferred taxes are charged or credited directly to equity if the taxation relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

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1.10 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the group also:

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

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

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

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

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

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

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

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1.11 Insurance contracts

Classification

Contracts under which the group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain event (the insured event), adversely affects the policyholder, are classified as insurance contracts. Insurance risk is risk other than financial risk.

Financial risk is the risk of a possible future change in one or more specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable provided that in the case of a non-financial variable that the variable is not specific to a party to the contract.

As a general guideline, the group defines as significant insurance risk if the insured event could cause the group to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance.

If significant additional benefits would be payable in scenarios that have commercial substance and significant insurance risk exists even if the insured event is extremely unlikely or even if the expected present values of contingent cash flows is a small proportion of the expected present value of the remaining contractual cash flows.

Recognition and measurement

Insurance contract liabilities are measured using the Statutory Valuation Method in accordance with the Long-term Insurance Act, 1998 and SAP 104 of the Actuarial Society of South Africa. Under this method, provisions are valued using realistic expectations of future experience, with compulsory margins for prudence and deferral of profit emergence.

The group performs liability adequacy testing on its liabilities under insurance contracts at the end of each reporting period to ensure that the carrying amount of its liabilities is sufficient in view of estimated future cash flows. When performing the liability adequacy test, the group discounts all contractual cash flows and compares this amount to the carrying value of the liability at discounted rates appropriate to the business. Where a shortfall is identified an additional provision is made.

The long-term insurance contracts with fixed terms are measured based on assumptions set out at the inception of the contract. When the liability adequacy test requires the adoption of new best estimate assumptions, such assumptions (without margins for adverse deviation) are used for the subsequent measurement of these liabilities.

A liability for contractual benefits that are expected to be incurred in the future is recorded when premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on the assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the decrease of unexpired insurance risk of the contract in force in line with the decrease of the amount of future benefits expected to be paid.

The liabilities are recalculated at the end of each reporting period using the assumptions established at inception of the contracts.

1.12 Premiums on insurance contracts

Premiums are recognised as revenue when they become payable by the policyholder. Premiums are stated gross of commission, and exclude levies and taxes.

1.13 Claims paid on insurance contracts

Claims and benefits incurred as a result of insurance contracts include death and disability claims and are recognised as an expense in the statement of comprehensive income.

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1.14 Acquisition costs

Acquisition costs comprises all direct and indirect costs arising from the sale of contracts. Acquisition costs in respect of insurance contracts are expenses as incurred.

1.15 Reinsurance contracts

Contracts entered into by the group with reinsurers under which the group is compensated for losses on one or more contracts which are classified as insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

Contracts entered into by the group with reinsurers under which the group is compensated for losses on one or more contracts which are classified as insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The group assesses its reinsurance assets for impairment at each reporting date. If there is objective evidence that the reinsurance asset is impaired, the group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the statement of comprehensive income. The group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated following the same method used for these financial assets.

Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the group reduces the carrying amount of the insurance receivables accordingly and recognises that impairment loss in the income statement. The group gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is calculated under the same method used for these financial assets.

1.16 Provisions for insurance claims incurred but not reported

The claims incurred but not reported (IBNR) reserves represent a provision for insurance claims incurred up to the end of the financial period but not yet reported. The provision for claims incurred but not reported is estimated based on actual reported insurance claims and statistical analysis.

1.17 Share capital and equity

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

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1.18 Provisions and contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating losses.

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

Contingent assets and contingent liabilities are not recognised.

1.19 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.20 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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ACCOUNTING POLICIES

1.20 Revenue (continued)

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

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

Dividends are recognised, in profit or loss, when the group's right to receive payment has been established.

Gross insurance premium revenue reflects business written during the period and excludes any taxes or levies payable on premiums. Premium revenue includes all premiums for the period of risk covered by the policy, regardless of whether or not these are due for payment in the accounting period. Premiums are shown before the deduction of commission.

1.21 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.22 Borrowing costs

Borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.23 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

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ACCOUNTING POLICIES

1.24 Consolidation

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Transactions in which combining entities are controlled by the same parties or parties before and after the transaction, and that control is not transitory, are referred to as common control transactions. Where there are common control transactions in the group, and the acquisition method is used.

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ACCOUNTING POLICIES

1.24 Consolidation (continued)

Basis of consolidation

The consolidated consolidated annual financial statements incorporate the consolidated annual financial statements of the group and all investees which are controlled by the group.

The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

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

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Investment in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

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ACCOUNTING POLICIES

1.25 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

IAS 33 Earnings per share

To prescribe principles for the determination and presentation of earnings per share, so as to improve performance comparisons between different entities in the same reporting period and between different reporting periods for the same entity.

The group listed the Senior Secured Notes on the Singapore Stock Exchange on 18 December 2014, which resulted in the adoption of IAS 33 Earnings per share.

IFRS 8 Operating Segments

An entity shall disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

The group listed the Senior Secured Notes on the Singapore Stock Exchange on 18 December 2014, which resulted in the adoption of IFRS 8 Operating Segments.

Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendment to IAS 36 Impairment of Assets now require:

- Disclosures to be made of all assets which have been impaired, as opposed to only material impairments,
- The disclosure of each impaired asset's recoverable amount, and
- Certain disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the requirements of IFRS 13 Fair Value Measurement.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The group has adopted the amendment for the first time in the 2015 consolidated annual financial statements.

The impact of the amendment is not material.

Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities

The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate consolidated annual financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27.

The effective date of the amendments is for years beginning on or after 01 January 2014.

The group has adopted the amendments for the first time in the 2015 consolidated annual financial statements.

The impact of the amendment is not material.

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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective but relevant

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 March 2015 or later periods:

Amendments to IAS 19: Defined Benefit Plans: Employee Contributions.

The amendment relates to contributions received from employees or third parties for defined benefit plans. These contributions could either be discretionary or set out in the formal terms of the plan. If they are discretionary then they reduce the service cost. Those which are set out in the formal terms of the plan are either linked to service or not. When they are not linked to service then the contributions affect the remeasurement. When they are linked to service and to the number of years of service, they reduce the service cost by being attributed to the periods of service. If they are linked to service but not to the number of years' service then they either reduce the service cost by being attributed to the periods of service or they reduce the service cost in the period in which the related service is rendered.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 consolidated annual financial statements.

The impact of this amendment is currently being assessed.

Amendment to IFRS 3: Business Combinations: Annual improvements project

The amendment clarifies that contingent consideration in a business combination which meets the definition of a financial instrument shall be classified as a financial liability or equity. It further stipulates that contingent consideration which is required to be measured at fair value shall be done so by recognising changes in fair value through profit or loss. Reference to measuring contingent consideration to fair value through other comprehensive income has been deleted.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 consolidated annual financial statements.

The impact of this amendment is currently being assessed.

Amendment to IFRS 8: Operating Segments: Annual improvements project

Management are now required to disclose the judgements made in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 consolidated annual financial statements.

The impact of this amendment is currently being assessed.

Amendment to IAS 16: Property, Plant and Equipment: Annual improvements project

The amendment adjusts the option to proportionately restate accumulated depreciation when an item of property, plant and equipment is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated depreciation is then adjusted as the difference between the gross and net carrying amount.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 consolidated annual financial statements.

The impact of this amendment is currently being assessed.

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2. New Standards and Interpretations (continued)

Amendment to IAS 24: Related Party Disclosures: Annual improvements project

The definition of a related party has been amended to include an entity, or any member of a group of which it is a part, which provides key management personnel services to the reporting entity or to the parent of the reporting entity ("management entity"). Disclosure is required of payments made to the management entity for these services but not of payments made by the management entity to its directors or employees.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 consolidated annual financial statements.

The impact of this amendment is currently being assessed.

IFRS 9 Financial Instruments

This new standard is the result of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities as well as new hedging requirements. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All investments are to be subsequently measured at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the group changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.
- The new hedging provisions align hedge accounting more closely with the actual risk management approach.
- Certain non-derivative financial instruments are now allowed as hedging instruments.
- Additional exposures are allowed as hedged items. These exposures include risk components of non-financial items, net positions and layer components of items, aggregated exposures combining derivative and non-derivative exposures and equity instruments at fair value through other comprehensive income.
- The hedge effectiveness criteria have been amended, including the removal of the 80%-125% "bright line test" to qualify for hedge accounting.
- The concept of rebalancing has been introduced when the hedging relationship is ineffective because the hedge ratio is no longer appropriate. When rebalancing is required, and provided the risk management objective remains the same, the hedge ratio is adjusted rather than discontinuing the hedging relationship.
- Additional disclosure requirements have been introduced for hedging.

The effective date has not yet been established as the project is currently incomplete. The IASB has communicated that the effective date will not be before years beginning on or after 01 January 2018. IFRS 9 may be early adopted. If IFRS 9 is early adopted, the new hedging requirements may be excluded until the effective date.

The group does not envisage the adoption of the standard until such time as it becomes applicable to the group's operations.

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2. New Standards and Interpretations (continued)

The impact of this standard is currently being assessed.

Amendment to IFRS 13: Fair Value Measurement: Annual improvements project

The amendment clarifies that references to financial assets and financial liabilities in paragraphs 48–51 and 53–56 should be read as applying to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

The impact of this amendment is currently being assessed.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation:

The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendments is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 annual financial statements.

The impact of this amendment is currently being assessed.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2017.

The group expects to adopt the standard in the 2018 annual financial statements.

The impact of this standard is currently being assessed.

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3. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	11 696 100	(7 377 230)	4 318 870	7 791 526	(5 485 524)	2 306 002
Motor vehicles	250 526	(250 525)	1	369 436	(262 449)	106 987
Office equipment	3 204 480	(1 160 179)	2 044 301	2 450 164	(835 697)	1 614 467
Computer equipment	32 221 079	(28 060 791)	4 160 288	27 456 710	(24 209 455)	3 247 255
Plant and machinery	2 134 306	(256 266)	1 878 040	1 402 977	(126 407)	1 276 570
Demountable partitions	1 299 597	(302 874)	996 723	1 097 015	(90 408)	1 006 607
Leasehold improvements	606 995	(429 904)	177 091	406 133	(75 200)	330 933
Total	51 413 083	(37 837 769)	13 575 314	40 973 961	(31 085 140)	9 888 821

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Additions through business combinations	Disposals	Depreciation	Total
Furniture and fixtures	2 306 002	3 501 893	316 755	(8 917)	(1 796 863)	4 318 870
Motor vehicles	106 987	-	-	(100 992)	(5 994)	1
Office equipment	1 614 467	754 316	-	-	(324 482)	2 044 301
Computer equipment	3 247 255	2 665 113	838 725	(436 381)	(2 154 424)	4 160 288
Plant and machinery	1 276 570	731 328	-	-	(129 858)	1 878 040
Demountable partitions	1 006 607	202 582	-	-	(212 466)	996 723
Leasehold improvements	330 933	-	90 515	(15)	(244 342)	177 091
	9 888 821	7 855 232	1 245 995	(546 305)	(4 868 429)	13 575 314

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Additions through business combinations	Disposals	Depreciation	Total
Furniture and fixtures	2 850 655	83 996	517 816	-	(1 146 465)	2 306 002
Motor vehicles	1	118 910	-	-	(11 924)	106 987
Office equipment	547 815	1 425 854	71 930	(83 688)	(347 444)	1 614 467
Computer equipment	1 869 089	3 804 347	-	-	(2 426 181)	3 247 255
Plant and machinery	1 158 328	199 892	-	-	(81 650)	1 276 570
Demountable partitions	96 538	951 174	-	-	(41 105)	1 006 607
Leasehold improvements	-	322 122	84 011	-	(75 200)	330 933
	6 522 426	6 906 295	673 757	(83 688)	(4 129 969)	9 888 821

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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

4. Goodwill

	2015			2014		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	257 070 494	-	257 070 494	206 944 136	-	206 944 136

Goodwill by segment	2015	2014
Mobile distribution and Value Added Services (VAS)	152 007 507	152 007 507
Short-term financial services	105 062 987	54 936 629
	257 070 494	206 944 136

Reconciliation of goodwill - 2015

	Opening balance	Additions through business combinations	Total
Goodwill	206 944 136	50 126 358	257 070 494

Reconciliation of goodwill - 2014

	Opening balance	Additions through business combinations	Total
Goodwill	206 944 136	-	206 944 136

The recoverable amount of all cash generating units (CGUs) has been determined based on value-in-use calculations.

Annual growth in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) representing the cash flow projections for the mobile distribution, Value Added Service and short term financial services CGUs, are projected as follows:

2016	12%
2017	46%
2018	34%
2019	31%
2020	24%

Growth is largely due to increases in the annuity book acquired in these projected years.

Projections are discounted at a rate of 10%

Management's approach to determining the value assigned to each key assumption reflect their past experience and knowledge of the industry.

On this basis, the value-in-use calculations indicated that the calculated value of goodwill of each CGU exceeded its carrying value and no impairment charge was considered necessary.

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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	R	2015 R	Restated 2014 R
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5. Intangible assets

	2015			2014		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Life insurance license	17 600 000	-	17 600 000	17 600 000	-	17 600 000
Telco subscriber base	3 000 000	(1 200 000)	1 800 000	3 000 000	(600 000)	2 400 000
Vehicle tracking subscriber base	19 950	(12 469)	7 481	19 950	(2 494)	17 456
Computer software	3 468 142	(1 013 575)	2 454 567	1 399 136	(24 640)	1 374 496
Administration system developed	4 079 772	(1 388 856)	2 690 916	1 935 282	(615 797)	1 319 485
Total	28 167 864	(3 614 900)	24 552 964	23 954 368	(1 242 931)	22 711 437

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Additions through business combinations	Amortisation	Total
Life insurance license	17 600 000	-	-	-	17 600 000
Telco subscriber base	2 400 000	-	-	(600 000)	1 800 000
Vehicle tracking subscriber base	17 456	-	-	(9 975)	7 481
Computer software	1 374 496	2 069 006	-	(988 935)	2 454 567
Administration system developed	1 319 485	2 144 490	-	(773 059)	2 690 916
	22 711 437	4 213 496	-	(2 371 969)	24 552 964

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Additions through business combinations	Amortisation	Total
Life insurance license	-	-	17 600 000	-	17 600 000
Telco subscriber base	3 000 000	-	-	(600 000)	2 400 000
Vehicle tracking subscriber base	-	19 950	-	(2 494)	17 456
Computer software	-	1 384 696	14 440	(24 640)	1 374 496
Administration system developed	-	1 035 209	900 073	(615 797)	1 319 485
	3 000 000	2 439 855	18 514 513	(1 242 931)	22 711 437

As security for the due and punctual performance of the obligations related to Senior Secured Notes referred to in note 31, the above intangible assets have been ceded to the Special Purpose Vehicle referred to in note 31.

The indefinite period life insurance licence intangible asset arose as a result of a business combination in 2014.

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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	2015	Restated 2014
R	R	R

5. Intangible assets (continued)

The recoverable amount of the CGU relating to the life insurance licence has been determined based on value-in-use calculations.

Annual growth in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) are projected as follows for the life insurance CGU:

2016	137%
2017	174%
2018	67%
2019	25%
2020	13%

Growth is largely due to increases in the annuity book acquired in these projected years.

Projections are discounted at a rate of 10%

Management's approach to determining the value assigned to each key assumption reflect their past experience and knowledge of the industry.

On this basis, the value-in-use calculations indicated that the calculated value of life insurance licence exceeded its carrying value and no impairment charge was considered necessary.

6. Investments in cell captives

Fair value through profit and loss

Opening balance	46 267 020	21 703 946
Fair value adjustment through profit and loss	(25 744 038)	24 563 074
Closing balance	<u>20 522 982</u>	<u>46 267 020</u>

Guardrisk Life Limited:

Investment representing "L" class ordinary shares at a cost of R250 000

Guardrisk Insurance Company Limited:

Investment representing "A 214" class ordinary shares at a cost of R250 000

These classes of shares represent business cells in a cell captive arrangement with licensed short term and life insurers for certain risk products marketed by related entities. These shares have specified dividend rights specific to the class of shares. Should the solvency ratio of the business cell fall below the required ratio or the shareholders funds of the business cell reflect a deficit, the group is obliged to subscribe for additional shares of the same class for a consideration that will restore the solvency ratio or shareholders funds deficit to the required level.

7. Investments in associates

The following table lists all of the associates in the group:

The associate was incorporated in South Africa in the current year and the group has a 45% voting rights. The main business of the associate is that of a mobile virtual network operator (MVNO).

MRP Mobile Proprietary Limited	45	45
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During the year under review the share of loss in the associate MRP Mobile Proprietary Limited attributable to the group amounted to R7 333 842.

No impairment of the investment has taken place as the carrying amount is immaterial.

The financial year end of MRP Mobile Proprietary Limited is 31 March 2015.

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	2015	Restated 2014
R	R	R
8. Loans to (from) shareholders		
S.R. Bergsma	(892 256)	(6 256 458)
The Venture Investments Trust	-	(27 530 566)
The Z.T.O. Share Trust	-	(12 945 991)
The Johnno Family Trust	(104 964)	44 072
The Scone Share Trust	-	(7 108 054)
	<u>(997 220)</u>	<u>(53 796 997)</u>

These loans are unsecured, interest-free and will not be repayable within the next twelve months.

As security for the due and punctual performance of the obligations related to Senior Secured Notes referred to in note 32, the above loans have been ceded to the Special Purpose Vehicle referred to in note 32.

Non-current assets	-	44 072
Non-current liabilities	(997 220)	(53 841 069)
	<u>(997 220)</u>	<u>(53 796 997)</u>

9. Investments

Available-for-sale

Liberty Life Excelsior	5 279 832	23 514 710
1 000 Investment Builder endowment policy, Surrender value amounts to R5 279 832		

Investec Select Bond Fund A unit trust	-	174 704
	<u>5 279 832</u>	<u>23 689 414</u>

As security for the due and punctual performance of the obligations related to Senior Secured Notes referred to in note 32, the above investments have been ceded to the Special Purpose Vehicle referred to in note 32.

10. Loans to (from) related entities

MRP Mobile Proprietary Limited	14 651 847	(45)
Real Tree 7 Proprietary Limited	13 059 071	-
Core Contact Proprietary Limited	862 384	-
Talking Shop S.A. Proprietary Limited	450 690	450 690
Squareroot Investments Proprietary Limited	(63)	-
Evening Star Trading 186 Proprietary Limited	(12)	-
Silver 96 Trust	-	(1 025)
The Nestegg Trust	-	(1 025)
	<u>29 023 917</u>	<u>448 595</u>

These loans are unsecured, interest free and will not be repayable within the next twelve months.

As security for the due and punctual performance of the obligations related to Senior Secured Notes referred to in note 32, the above loans have been ceded to the Special Purpose Vehicle referred to in note 32.

Non-current assets	29 023 992	450 690
Non-current liabilities	(75)	(2 095)
	<u>29 023 917</u>	<u>448 595</u>

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R	R	R
11. Loan to other entity		
NVSC Financial Services Proprietary Limited	434 686	-
The above loan bears interest at variable rates as agreed by both parties from time to time (0% from inception) and is not repayable within the next twelve months.		
As security for the due and punctual performance of the obligations related to Senior Secured Notes referred to in note 32, the above loans have been ceded to the Special Purpose Vehicle referred to in note 32.		
12. Deferred taxation		
Deferred tax asset		
Debt transaction costs	11 806 323	-
Assessed tax loss	5 359 664	-
Provision for bonuses	2 112 130	-
Provision for bad debts	1 978 436	46 930
Income received in advance	1 946 598	832 396
Accrual for leave pay	1 132 808	577 717
Inventory accrual	168 543	-
Other provisions	92 960	-
Operating lease straight-line liability	78 949	-
Property, plant and equipment	42 460	-
Provisions for failed debit order revenue	14 345	-
Total deferred tax asset	24 733 216	1 457 043
Deferred tax liability		
Section 24C allowance	(7 917 502)	(11 394 754)
Wear and tear s11(e)	(548 160)	122 601
Operating lease straight-line liability	(8 928)	-
Prepayments	(1 396)	-
Fair value through profit and loss	(5 606 435)	(12 814 766)
Total deferred tax liability	(14 082 421)	(24 086 919)
Deferred tax asset	24 733 216	1 457 043
Deferred tax liability	(14 082 421)	(24 086 919)
Total net deferred tax asset	10 650 795	(22 629 876)

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R	R	R
12. Deferred taxation (continued)		
Reconciliation of deferred tax asset / (liability)		
At beginning of year	(22 629 876)	(15 745 454)
Additions through business combinations	32 955	-
Debt transaction costs	11 806 323	-
Income received in advance	1 114 208	832 396
Accrual for leave pay	544 572	577 717
Provision for bonuses	2 112 130	-
Provision for bad debts	1 931 506	46 930
Other deferred tax asset	276 054	-
Assessed tax loss	5 359 664	-
Operating lease straight-line liability	70 021	-
Section 24C allowance	3 354 651	(1 583 605)
Wear and tear s11(e)	(548 160)	122 601
Tangible fixed assets	19 812	-
Prepayments	(1 396)	-
Fair value through profit and loss	7 208 331	(6 880 461)
	10 650 795	(22 629 876)
13. Assets arising from insurance contracts		
Balance at the beginning of the year	3 963 889	-
Additions through business combinations	-	8 752 298
Change recognised in the statement of comprehensive income	(1 148 680)	(4 788 409)
Balance at the end of the year	2 815 209	3 963 889
The value of insurance assets and the related portion attributable to reinsurers are based on the best estimate assumptions of future expectations plus/less compulsory margins as required by SAP 104, plus/less additional discretionary margins determined by the statutory actuary.		
14. Inventories		
Goods for resale	1 523 914	6 712 202
Inventory is valued as stated in note 1.19.		
15. Insurance receivables		
Reinsurance receivable on outstanding claims	9 991 371	8 529 193
Reinsurance receivable on outstanding financial reinsurance receipts	2 847 001	1 268 451
	12 838 372	9 797 644
16. Trade and other receivables		
Trade receivables	147 408 887	40 195 496
Value added taxation	1 909 260	714 982
Deposits	743 809	498 865
Prepayments	166 546	159 539
Other receivables	-	1 210 755
	150 228 502	42 779 637

The carrying value of trade and other receivables approximated their fair value due to the short term nature of these instruments.

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	2015	Restated 2014
R	R	R

16. Trade and other receivables (continued)

As security for the due and punctual performance of the obligations related to Senior Secured Notes referred to in note 32, the above trade and other receivables have been ceded to the Special Purpose Vehicle referred to in note 32.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 60 days past due are not considered to be impaired. At 28 February 2015: R 428 543 (2014: R 3 214 278) were past due but not impaired.

The ageing of amounts past due but not impaired are as follows:

1 month past due	53 208	2 967 826
2 months past due	42 959	70 487
3 months past due	45 983	61 354
> 3 months past due	286 393	114 611
	428 543	3 214 278

Trade and other receivables past due and impaired

As of February 2015, trade and other receivables of R 672 806 (2014: R -) were impaired and provided for.

The ageing of amounts past due and impaired are as follows:

1 month past due	101 110	-
2 months past due	429 089	-
3 months past due	142 607	-
	672 806	-

17. Cash and cash equivalents

Cash and cash equivalents consist of:

Current	168 560 540	80 703 203
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Restricted suretyship/cession of loan limited to R5 600 000 for CCS Outsourcing Proprietary Limited and R200 000 for So Music Industries Proprietary Limited in favour of Standard Bank of South Africa Limited for banking facilities.

Bank held guarantees of R3 458 608 have been given by Standard Bank of South Africa Limited in favour of suppliers

As security for the due and punctual performance of the obligations related to Senior Secured Notes referred to in note 32, the above cash and cash equivalents have been ceded to the Special Purpose Vehicle referred to in note 32.

18. Share capital

Authorised

1000 Ordinary shares	1 000	1 000
100 Ordinary Type B shares	100	-
	1 100	1 000

Reconciliation of number of shares issued:

Reported as at 01 March 2014	500	500
Share buy back	(100)	-
Issue of shares -- ordinary shares	78	-
Issue of Ordinary Type B shares	100	-
Reported as at 28 February 2015	578	500

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R	R	R
18. Share capital (continued)		
Issued		
478 Ordinary shares	478	500
100 Ordinary Type B shares	100	-
Share premium	8 199 952	98 281 646
	8 200 530	98 282 146
19. Interest bearing borrowings		
Munich Re		
Munich Re	2 714 274	4 071 411
This loan relates to outstanding reinsurance premiums. This loan will be repaid in three equal instalments provided terms and conditions are satisfied		
Standard Bank of South Africa Limited		
Standard Bank of South Africa	-	57 385 140
The loan from Standard Bank of South Africa is secured by the shares in a subsidiary, investments (refer note 9) and suretyships signed by group companies. The loan bears interest at prime plus 0.5%.		
Senior Secured Notes		
Buchanan Group Limited	11 855 377	-
Falcon Strategic Partners IV, LP	491 987 293	-
HL International Investors LP	59 275 874	-
Wyoming Nowood Fund LP	29 638 104	-
	592 756 648	-
Non-current liabilities	579 839 174	40 095 414
Current liabilities	15 631 748	21 361 137
	595 470 922	61 456 551

On the 24 July, 2014 the group entered into an agreement to sell US\$50 000 000 of the group's newly issued Senior Secured Notes to certain Purchasers.

The proceeds from the sale of the Senior Secured Notes will be utilised to settle certain liabilities, fund the purchase of businesses and capitalise the group.

The principal of US\$50 000 000 is repayable on 24 July, 2019.

Interest at a rate of 13% per annum is payable quarterly in arrears commencing 15 September 2014.

The Senior Secured Notes will not be redeemable at the option of the group prior to 25 January, 2017, thereafter the group has the right to redeem the Senior Secured Notes subject to certain terms and conditions.

As security all the companies within the group have ceded specified shares and assets to a Security SPV who in turn will provide a limited recourse guarantee in favour of the Purchasers of the Senior Secured Notes. The specified shares and assets in each company in the group are:

- the issued shares in each company in the group including the holding company;
- the shareholder of the holding company's loans to any company in the group;
- the intercompany loans and claims between group companies;
- the bank accounts;
- the insurances;
- the investments;
- the receivables;
- the intellectual property rights; and

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	2015	Restated 2014
R	R	R

19. Interest bearing borrowings (continued)

- the related rights.

The group has indemnified the Security SPV for any obligations it may incur in relation to these Senior Secured Notes. Refer to note 32.

The group has issued 100 Class B Ordinary Shares of R1 per share in the holding company to the Purchasers. These shares have equal rights to the existing ordinary shares save for certain dividend restrictions in the early stages of the Senior Secured Notes term.

20. Trade and other payables

Trade payables	56 819 685	21 961 677
Amounts received in advance	12 410 195	-
Accrued expense	10 100 772	9 699 989
Provision for failed debit order revenue	8 190 119	-
Value added taxation	4 425 170	2 970 514
Claims due to policy holders	3 049 816	2 917 283
Deposits received	3 000	-
Other payables	-	297 428
	94 998 757	37 846 891

Claims due to policy holders represent undiscounted estimates for claims reported to the group not yet paid. Actual experience may differ from these estimates and could impact profit in the post calculation period.

The carrying value of trade and other payables approximated their fair value due to the short term nature of these instruments.

21. Provisions

Reconciliation of provisions - 2015

	Opening balance	Additions	Utilised during the year	Total
IBNR Provision	979 418	819 033	-	1 798 451
Pending insurance claims	5 465 232	4 580 271	(3 205 952)	6 839 551
	6 444 650	5 399 304	(3 205 952)	8 638 002

Reconciliation of provisions - 2014

	Opening balance	Additions	Utilised during the year	Total
IBNR Provision	-	979 418	-	979 418
Pending insurance claims	-	5 465 232	-	5 465 232
	-	6 444 650	-	6 444 650

The IBNR is calculated as a percentage of premiums written. This percentage is a best estimate reserve, which represents the expected value of the incurred but not reported claims liabilities. The IBNR is calculated in line with provisions laid out in legislation

Pending insurance claims are in respect of claims which have been lodged with Viva Life Insurance Limited and are awaiting assessment by Viva Life Insurance Limited, and/or the reinsurer.

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	R	2015 R	Restated 2014 R
22. Commission clawback receivable			
Commission clawback receivable		2 583 663	2 583 663
Impairment allowance		(2 583 663)	(2 583 663)
		-	-
The commission clawback receivable represents recoupments due from brokers and resigned staff for commission paid on policies which lapsed within 24 months from the policies inception dates. The recovery of commissions is not considered probable as of period end 28 February 2015.			
23. Operating profit			
Operating profit for the year is stated after accounting for the following:			
Income from subsidiaries			
Dividends		47 162 182	-
Gain on bargain purchase in a business combination		-	24 079 587
		47 162 182	24 079 587
Operating lease charges			
• Premises		52 674 931	17 416 308
Depreciation		4 868 429	4 129 969
Amortisation		2 371 969	1 242 931
Employee costs		179 370 920	118 289 912
Loss on foreign exchange		49 879 559	-
Debt transaction costs		47 510 661	-
Operating lease straight-line liability		(98 684)	(161 478)
Provision for leave pay		1 869 658	2 064 025
Assets scrapped		-	83 688
Profit of sale of assets		1 304 133	-
Movement in asset arising from insurance contracts		1 148 680	4 788 409
Fair value through profit and loss		(25 744 038)	24 573 074
24. Investment revenue			
Investment revenue from			
Financial institutions		5 009 958	3 244 997

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	2015 R	Restated 2014 R
25. Taxation		
Major components of the tax income		
Current		
Local income tax - current period	15 526 623	22 852 334
Securities transfer tax	458 514	-
	15 985 137	22 852 334
Deferred		
Originating and reversing temporary differences	(34 403 084)	6 884 212
	(18 417 947)	29 736 546
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	28.00 %	28.00 %
Disallowable charges	22.27 %	(2.68)%
Security Transfer Tax	(1.66)%	- %
	48.61 %	25.32 %

26. Earnings per share

Basic earnings per share was based on earnings/(loss) of R (9 135 436) (2014: R 64 941 030) and a weighted average number of ordinary shares of 551 (2014: 500).

Basic and diluted earnings per share

Basic earnings as disclosed	(9 135 436)	64 941 030
Weighted average number of shares	551	500
Diluted number of shares	551	500
Basic earnings per share (cents)	(1 657 973)	12 988 206
Diluted earnings per share (cents)	(1 657 973)	12 988 206

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

Reconciliation of weighted average number of shares

Issued shares at the beginning of the year	500	500
Share buy back (4 month weighting)	(33)	-
Issue of shares - Type B ordinary shares (4 month weighting)	33	-
Issue of shares - Ordinary shares (8 month weighting)	51	-
	551	500

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	2015 R	Restated 2014 R
27. Cash (used in)/generated from operations		
(Loss)/Profit before taxation	(27 553 383)	117 439 688
Adjustments for:		
Depreciation	4 868 429	4 129 969
Amortisation	2 371 970	1 242 931
Profit on sale of assets	(1 304 133)	-
Fair value adjustment	25 744 038	(24 573 074)
Dividends received	(47 162 182)	-
Investment revenue	(5 009 958)	(3 244 997)
Finance costs	46 195 572	3 463 857
Operating lease straight-line liability	(98 684)	(161 478)
Loan written down	(2 020)	-
Investments written off	-	10 000
Movements in provisions	2 193 352	6 444 650
Foreign exchange loss	49 879 559	-
Gain on bargain purchase	-	(24 079 587)
Assets scrapped	-	83 688
Changes in working capital:		
Inventories	5 188 288	(2 441 308)
Trade and other receivables	(103 393 495)	(21 032 162)
Assets arising from insurance contracts	1 148 680	4 788 409
Insurance receivable	(3 040 728)	(7 492 088)
Trade and other payables	40 229 122	10 576 810
	(9 745 573)	65 155 308
28. Taxation paid		
Balance at beginning of the year	(16 919 726)	(6 045 775)
Current taxation for the year	18 417 947	(29 736 546)
Movement in balance through business combinations	2 541 764	73 596
Balance at end of the year	(24 945 830)	16 919 726
	(20 905 845)	(18 788 999)

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	2015 R	Restated 2014 R
29. Business combinations		
Aggregated business combinations		
Property, plant and equipment	1 245 996	673 757
Intangible assets	-	18 514 513
Assets arising from insurance contracts	-	8 752 298
Insurance receivable	-	2 305 556
Loans to related entities	17 772 954	-
Current tax receivable	2 508 809	73 596
Trade and other receivables	4 055 371	-
Cash and cash equivalents	13 168 736	9 484 490
Deferred taxation	32 955	-
Loans from related entities	(2 000 150)	(2 896 326)
Finance lease obligation	(153 318)	-
Interest bearing borrowings	-	(4 071 411)
Trade and other payables	(16 922 744)	(8 756 885)
Total identifiable net assets	19 708 609	24 079 588
Non-controlling interest	-	-
Goodwill	50 126 458	(24 079 587)
	69 835 067	1
Consideration paid		
Cash	(69 835 066)	(1)
Net cash outflow on acquisition		
Cash consideration paid	(69 835 066)	(1)
Cash acquired	13 168 736	9 484 490
	(56 666 330)	9 484 489

Viva Life Insurance Limited

On 01 October 2013 the company acquired 100% of the voting equity interest of Viva Life Insurance Limited which resulted in the company obtaining control over Viva Life Insurance Limited. Viva Life Insurance Limited is principally involved in the long-term insurance industry.

Gain on bargain purchase of R 24 079 587 arising from the acquisition consists largely to the life insurance license intangible asset and the concession in the financing repayable to reinsurers.

360 Admin Proprietary Limited

On 24 July, 2014 the company acquired 100% of voting equity interest in 360 Admin Proprietary Limited for the amount of R69 835 066, which resulted in the company obtaining control over 360 Admin Proprietary Limited. 360 Admin Proprietary Limited is principally involved in the short term insurance industry.

Goodwill of R50 126 458 arising from the acquisition consists largely of synergies and economies of scale expected from combining the operations of the entities, as well as from intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

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30. Related entities		
Relationships		
Shareholders	- The Scone Share Trust - The Z.T.O. Share Trust - Venture Investments Trust - The Johnno Family Trust - Golden Buffalo Investments 2 Proprietary Limited - Golden Buffalo Investments 3 Proprietary Limited - Buchanan Group Limited - Falcon Strategic Partners IV, LP - HL International Investors LP - Wyoming Nowood Fund LP	
Associate	MRP Mobile Proprietary Limited	
Directors/ Key management	- D.J. Bergsma - S.R. Bergsma J. Willoughby-Williams - S.G. Bailey - M.G. Parker	
Common directors/shareholders/Trustees	- Berrylight Properties Proprietary Limited - Talking Shop S.A. Proprietary Limited - Squareroot Investments Proprietary Limited - Silver 96 Trust - The Nestegg Trust - First View Media CC - Core Contact Proprietary Limited - Upliftment Outsourcing Proprietary Limited - Arctocom Proprietary Limited - Vast Mobile CC - Explore Software Proprietary Limited 360 Admin Proprietary Limited - Golden Buffalo Investments 2 Proprietary Limited - Golden Buffalo Investments 3 Proprietary Limited - Real Tree Trading 7 Proprietary Limited - Global Pact Trading 643 Proprietary Limited - Evening Star Trading 186 Proprietary Limited - App Sure Proprietary Limited R. Marsden - Lightwave Trade and Invest 17 Proprietary Limited - Envision Risk Proprietary Limited	
Special Purpose Vehicle	Main Street 1243 (RF) Proprietary Limited	

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	R	R
30. Related entities (continued)		
Related entity balances		
Loan accounts - Owing (to)/by related entities		
MRP Mobile Proprietary Limited	14 651 802	(45)
Real Tree Trading 7 Proprietary Limited	13 059 071	-
App Sure Proprietary Limited	2 070 962	2 065 904
Core Contact Proprietary Limited	862 384	-
Talking Shop S.A. Proprietary Limited	450 690	450 690
The Johnno Family Trust	(104 964)	44 072
S.R. Bergsma	(892 256)	(6 256 458)
Buchanan Group Limited	(11 855 377)	-
Wyoming Nowood Fund LP	(29 638 105)	-
HL International Investors LP	(59 275 874)	-
Falcon Strategic Partners IV, LP	(491 987 293)	-
Evening Star Trading 186 Proprietary Limited	(12)	-
The Z.T.O. Share Trust	-	(12 945 991)
The Scone Share Trust	-	(7 108 054)
Venture Investments Trust	-	(27 530 566)
Silver 96 Trust	-	(1 025)
The Nestegg Trust	-	(1 025)
R. Marsden	-	792 335
Amounts included in trade receivables regarding related entities		
Global Pact Trading 643 Proprietary Limited	1 192 330	-
Talking Shop S.A. Proprietary Limited	817 531	-
Lightwave Trade and Invest 17 Proprietary Limited	177 696	-
App Sure Proprietary Limited	100 607	-
Berrylight Properties Proprietary Limited	17 828	17 828
360 Admin Proprietary Limited	-	1 989 736
Arctocom Proprietary Limited	-	51 570
Amounts included in trade payables regarding related entities		
First View Media CC	560 607	573 323
Explore Software Proprietary Limited	166 250	273 600
R. Marsden	91 446	-
Core Contact Proprietary Limited	5 845	6 783
Related entity transactions		
Rent paid to related entities		
Real Tree Trading 7 Proprietary Limited	11 270 000	-
Berrylight Properties Proprietary Limited	11 002 451	10 000 000
Purchases from related entities		
Explore Software Proprietary Limited	1 585 000	666 900
First View Mobile CC	1 194 658	3 782 049
Core Contact Proprietary Limited	973 251	4 699 969
Lightwave Trade and Invest 17 Proprietary Limited	127 965	-
Upliftment Outsourcing Proprietary Limited	83 332	-
360 Admin Proprietary Limited	-	6 347 468

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30. Related entities (continued)		
Sales to related entities		
Real Tree Trading 7 Proprietary Limited	2 018 338	-
Global Pact Trading 643 Proprietary Limited	1 045 904	-
360 Admin Proprietary Limited	294 950	-
Lightwave Trade and Invest 17 Proprietary Limited	155 874	-
Berrylight Properties Proprietary Limited	15 638	-
Core Contact Proprietary Limited	15 206	-
Explore Software Proprietary Limited	-	2 039 297
Management fees paid to related entities		
Envision Risk Proprietary Limited	1 605 000	2 380 000
Other expenses		
Vast Mobile CC	-	13 693
Upliftment Outsourcing Proprietary Limited	-	98 357
Amounts included in accrued expenses regarding related entities		
Core Contact Proprietary Limited	5 845	154 870
Amounts included in other receivables regarding related entities		
Core Contact Proprietary Limited	-	1 183 754
Share buy back		
Venture Investments Trust	101 330 839	-
Purchase of shares in subsidiary		
Squareroot Investments Proprietary Limited	43 996 044	-
Venture Investments Trust	29 654 970	-
Evening Star Trading 186 Proprietary Limited	8 380 199	-
Debt raising fee paid to related entities		
Falcon Strategic Partners IV, LP	11 937 146	-
HL International Investors LP	1 047 100	-
Wyoming Nowood Fund LP	523 550	-
Buchanan Group Limited	209 420	-
Interest paid to related entities		
Falcon Strategic Partners IV, LP	35 976 912	-
HL International Investors LP	4 346 947	-
Wyoming Nowood Fund LP	2 174 051	-
Buchanan Group Limited	870 081	-
Compensation to directors and other key management		
Short-term employee benefits	14 495 923	7 618 493

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	2015	Restated 2014
	R	R
31. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	21 639 350	27 772 714
- in second to fifth year inclusive	13 444 918	136 185 578
- later than five years	-	118 649 488
	35 084 268	282 607 780

Operating lease payments represent rentals payable by the group for certain of its office properties. No contingent rent is payable.

32. Contingent Liabilities

Suretyships

Restricted suretyship/cession of loan limited to R5 600 000 for CCS Outsourcing Proprietary Limited and R200 000 for So Music Industries Proprietary Limited in favour of Standard Bank of South Africa Limited for banking facilities.

Bank held guarantees of R3 458 608 have been given by Standard Bank of South Africa Limited in favour of suppliers

Cell Captive

The group holds shares which represent business cells in captive arrangements. These shares have specified dividend rights specific to the class of shares. Should the solvency ratio of the business cell fall below the required ratio or the shareholders' funds of the business cell reflect a deficit, the group is obliged to subscribe for additional shares of the same class for a consideration that will restore the solvency ratio or shareholders' funds deficit to the required level

The group holds shares in a life insurance company. Should the solvency ratio of the company fall below the required ratio or the shareholders' funds of the company reflect a deficit, the group is obliged to subscribe for additional shares of the same class for a consideration that will restore the solvency ratio or shareholders' funds deficit to the required level.

Senior Secured Notes

In terms of a counter-indemnity agreement, the group has indemnified a Special Purpose Vehicle that was used to facilitate the issue of dollar denominated interest bearing Senior Secured Notes amounting to US\$50 000 000 by the group against all claims or losses which the Special Purpose Vehicle may suffer or incur as a result of or in connection with the issuing of the Senior Secured Notes.

In addition, as part of the counter-indemnity agreement, the group has also ceded all its secured property, as defined, which collectively means:

- the shares;
- the shareholder and group claims;
- the bank accounts;
- the insurances;
- the investments;
- the receivables;
- the intellectual property rights; and
- the related rights,

to the abovementioned Special Purpose Vehicle.

The group has warranted, covenanted and agreed with the Senior Secured Note holders that, until the principal amount of all the notes, and all interest and other obligations have been settled in full, the group will not cause or permit certain defined transactions, actions and/or activities to be carried out by the group.

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		2015	Restated 2014
		R	R
33. Risk management			
Capital risk management			
The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the group consists of debt, which includes the borrowings, cash and cash equivalents and equity as disclosed in the statement of financial position. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the group monitors capital on the basis of the debt: equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total equity is represented in the statement of financial position. The debt: equity ratio at year end is as follows:			
Total borrowings			
Loans from related entities	10	75	2 095
Loans from shareholders	8	997 220	53 841 069
Finance lease obligation		94 504	-
Interest bearing borrowings		595 470 922	61 456 551
Trade and other payables	20	94 998 758	37 846 891
Operating lease straight-line liability		313 730	412 414
		691 875 209	153 559 020
Less: Cash and cash equivalents	17	168 560 540	80 703 203
Net debt		523 314 669	72 855 817
Total equity		10 859 467	277 028 814
Total capital		534 174 136	349 884 631
Debt equity ratio		48.19 : 1	0.22 : 1

Financial risk management

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

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33. Risk management (continued)

Liquidity risk

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

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

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

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 28 February 2015

	Less than 1 year	Between 1 and 5 years
Loans from related entities	-	75
Loans from shareholders	-	997 220
Interest bearing borrowings	15 631 748	579 839 174
Finance lease liabilities	94 504	-
Trade payables	56 819 685	-

At 28 February 2014

	Less than 1 year	Between 1 and 5 years
Loans from related entities	-	2 095
Loans from shareholders	-	53 841 069
Interest bearing borrowings	21 361 137	40 095 414
Trade payables	21 961 677	-

Interest rate risk

Financial assets and liabilities that are sensitive to interest rate risk are cash and cash equivalents, bank overdrafts and loans receivable/ payable. In addition, reinsurance assets and insurance liabilities are also sensitive to interest rate risk. The interest rates applicable to these financial instruments are on a combination of floating and fixed basis in line with those currently available in the market.

Interest rates are exposed to general and specific market movements. From an insurance perspective, the group follows a very conservative investment strategy which exposes them to interest rate risk.

Due to the volatility of interest rates within the current economic environment, management has followed a strategy of shorter term investment for insurance purposes. This entails that the maximum interest rate option is chosen over the shortest term not being less than three (3) months. This method of investment mitigates the risk of interest losses. The strategy is however not fail safe and the extent of interest fluctuations cannot always be accurately determined.

The group's interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

Credit risk

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

Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

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33. Risk management (continued)

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Credit risk is managed on a business unit basis.

From an insurance perspective, the group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the group is exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries;
- Amounts due from loans and receivables.

Reinsurance is used to manage insurance risk. This does not, however, discharge the group's liability as primary insurer. The group together with the reinsurer considers all claims and the validity of a claim prior to making payments. This ensures that claim decisions are viewed and reviewed but also ensures that non-payment on the reinsurer's part is eliminated. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated.

Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

It is management's opinion that the larger the portfolio of similar contracts, the smaller the relative variability about the expected outcome will be. The group has developed its underwriting model to diversify the type of insurance risks accepted and within each of these identified categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The most common factors that aggravate insurance risk include the lack of diversification in terms of the type and amount of risk, geographical location, education, the health and habit status as well as the occupation type of clients.

Foreign exchange risk

The group does not hedge foreign exchange fluctuations. The group assesses the most appropriate foreign currency hedging solution taking into account the cost of the solution, the current spot rate, the current forward rates and the current forecast rates.

At 28 February 2015, if the currency had weakened by R1 against the US dollar with all other variables held constant, post-tax profit for the year would have been R 51 354 278 (2014: R -) lower, mainly as a result of foreign exchange losses or gains on translation of US dollar denominated borrowings.

Foreign currency exposure at end of the reporting period	2015	2014
Liabilities		
Interest bearing borrowings (2015: USD 51 354 278, 2014: USD-)	R592 756 648	-
Exchange rate used in conversion of foreign items were:		
USD	11.5425	-

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33. Risk management (continued)

Long-term insurance contracts

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or widespread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier and more claims than expected. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity.

The group charges for mortality risk on a monthly basis for all insurance contracts. The group has the right to amend these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increase may reduce its mitigating effect. The group manages these risks through its underwriting strategy and reinsurance agreement.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and level of insured benefits. Medical selection is included in the group's underwriting procedures, with premiums varied to reflect the health condition of applicants. The group has a maximum risk exposure of 10% of the claim amount, further limited to R250 000 for any single claim event. The group reinsures the excess of the insured benefit for both mortality risk and survival risk.

Post-tax profit for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

34. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2015

	Loans and receivables	Fair value through profit or loss	Available-for- sale	Total
Loans to related entities	29 023 992	-	-	29 023 992
Loan to other entity	434 686	-	-	434 686
Investments	-	-	5 279 832	5 279 832
Assets arising from insurance contracts	2 815 209	-	-	2 815 209
Investments in cell captives	-	20 522 982	-	20 522 982
Trade receivables	147 408 887	-	-	147 408 887
Insurance receivable	12 838 372	-	-	12 838 372
Cash and cash equivalents	168 560 540	-	-	168 560 540
	361 081 686	20 522 982	5 279 832	386 884 500

2014

	Loans and receivables	Fair value through profit or loss	Available-for- sale	Total
Loans to related entities	450 690	-	-	450 690
Loans to shareholders	44 072	-	-	44 072
Investments	-	-	23 689 414	23 689 414
Assets arising from insurance contracts	3 963 889	-	-	3 963 889
Investments in cell captives	-	46 267 020	-	46 267 020
Trade receivables	40 195 496	-	-	40 195 496
Insurance receivable	9 797 644	-	-	9 797 644
Cash and cash equivalents	80 703 203	-	-	80 703 203
	135 154 994	46 267 020	23 689 414	205 111 428

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35. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2015

	Financial liabilities at amortised cost	Total
Loans from related entities	75	75
Loans from shareholders	997 220	997 220
Interest bearing borrowings	595 470 922	595 470 922
Provisions	8 638 002	8 638 002
Trade payables	56 819 685	56 819 685
Finance lease liabilities	94 504	94 504
	662 020 408	662 020 408

2014

	Financial liabilities at amortised cost	Total
Loans from related entities	2 095	2 095
Loans from shareholders	53 841 069	53 841 069
Interest bearing borrowings	61 456 551	61 456 551
Provisions	6 444 650	6 444 650
Trade payables	21 961 677	21 961 677
	143 706 042	143 706 042

36. Operating segments

Summarised statement of comprehensive income	Distribution	MVNO	Financial Services	Elimination	Total
Revenue	1 035 665 793	28 320 997	100 379 357	(506 840 353)	657 525 794
Gross profit	694 894 180	7 234 191	87 791 660	(430 398 628)	359 521 403
Net operating costs	(28 442 467)	(13 367 240)	(51 873 714)	(293 391 365)	(387 074 786)
Profit before taxation	666 451 713	(6 133 049)	35 917 946	(723 789 993)	(27 553 383)
Taxation	10 312 436	2 412 779	4 526 112	1 166 620	18 417 947
Profit after taxation	676 764 149	(3 720 270)	40 444 058	(722 623 373)	(9 135 436)
Summarised statement of financial position					
Non-current assets	1 164 096 913	6 727 149	44 825 952	(837 641 280)	378 008 734
Current assets	241 337 259	21 052 666	91 062 022	1 752	353 453 699
Total Assets	1 405 434 172	27 779 815	135 887 974	(837 639 528)	731 462 433
Non-current liabilities	870 127 041	31 839 497	14 229 601	(320 963 519)	595 232 620
Current liabilities	67 377 387	2 983 390	39 376 066	15 633 503	125 370 346
Total Liabilities	937 504 428	34 822 887	53 605 667	(305 330 016)	720 602 966
Equity attributable to owners of the company	467 929 744	(7 043 072)	82 282 307	(532 309 512)	10 859 467

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37. Fair value hierarchy measurement

The following table reflects financial assets and liabilities that are measured at fair value on a recurring basis:

2015

Financial Assets	Level 1	Level 2	Level 3	Total
Loans to related entities	-	-	29 023 992	29 023 992
Loan to other entity	-	-	434 686	434 686
Investments in cell captives	-	-	20 522 982	20 522 982
Investment in associate	-	-	45	45
Investments	-	-	5 279 832	5 279 832
Assets arising from insurance contracts	-	-	2 815 209	2 815 209
Trade and other receivables	-	-	150 228 502	150 228 502
Insurance receivable	-	-	12 838 372	12 838 372
Cash and cash equivalents	-	168 560 540	-	168 560 540
	-	168 560 540	221 143 620	389 704 160

Financial Liabilities				Total
Loans from related entities	-	-	75	75
Loans from shareholders	-	-	997 220	997 220
Interest bearing borrowings	-	595 470 922	-	595 470 922
Finance lease liabilities	-	-	94 504	94 504
Trade and other payables	-	-	94 998 758	94 998 758
Operating lease straight-line liability	-	-	313 730	313 730
	-	595 470 922	96 404 287	691 875 209

2014

Financial Assets	Level 1	Level 2	Level 3	Total
Loans to related entities	-	-	450 690	450 690
Loans to shareholders	-	-	44 072	44 072
Investments in cell captives	-	-	46 267 020	46 267 020
Investment in associate	-	-	45	45
Investment	-	-	23 689 414	23 689 414
Assets arising from insurance contracts	-	-	3 963 889	3 963 889
Trade and other receivables	-	-	42 779 637	42 779 637
Insurance receivable	-	-	9 797 644	9 797 644
Cash and cash equivalents	-	80 703 203	-	80 703 203
	-	80 703 203	126 992 411	207 695 614

Financial Liabilities				Total
Loans from related entities	-	-	2 095	2 095
Loans from shareholders	-	-	53 841 069	53 841 069
Interest bearing borrowings	-	61 456 551	-	61 456 551
Trade and other payables	-	-	37 846 891	37 846 891
Operating lease straight-line liability	-	-	412 414	412 414
	-	61 456 551	92 102 469	153 559 020

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38. Prior period restatements

IFRS 10 Consolidated Financial Statements states that investments held in cell captives must satisfy the defined criteria to be classified as deemed separate entities. Despite any contractual arrangements, in South Africa there is no legal ring-fencing of the arrangements in the event of liquidation, as current insurance legislation regards all assets and liabilities of cell captive entities as assets and liabilities of the insurance company. As a result, the cell captive arrangements do not meet all the defined criteria to be classified as deemed separate entities, accordingly they cannot be consolidated.

On initial recognition of the cell captives as financial assets, they have been classified as financial assets at fair value through profit or loss.

Consolidated statement of financial position:

	2014			2013		
	Previously stated	Transfer	Restated amount	Previously stated	Transfer	Restated amount
Non-current Assets						
Goodwill	231 026 020	(24 081 884)	206 944 136	231 026 020	(24 081 884)	206 944 136
Investments in cell captives	-	46 267 020	46 267 020	-	21 703 946	21 703 946
Deferred taxation	1 457 253	(210)	1 457 043	-	-	-
Cash and cash equivalents	50 946 755	(50 946 755)	-	37 289 883	(37 289 883)	-
	283 430 028	(28 761 829)	254 668 199	268 315 903	(39 667 821)	228 648 082
Current Assets						
Trade and other receivables	46 824 140	(4 044 503)	42 779 637	27 151 076	(5 403 600)	21 747 476
Cash and cash equivalents	90 357 249	(9 654 046)	80 703 203	82 034 936	(4 719 442)	77 315 494
	137 181 389	(13 698 549)	123 482 840	109 186 012	(10 123 042)	99 062 970
Equity						
Share capital	110 980 488	(12 698 343)	98 282 145	110 980 488	(12 698 343)	98 282 145
Other reserves	4 044 479	-	4 044 479	28 841	-	28 841
Accumulated profit	138 744 435	(8 339 813)	130 404 622	68 635 483	(7 421 893)	61 213 590
Non-controlling interest	68 928 446	(24 630 877)	44 297 569	48 693 695	(18 658 237)	30 035 458
	322 697 848	(45 669 033)	277 028 815	228 338 507	(38 778 473)	189 560 034
Non-current Liabilities						
Deferred taxation	11 272 153	12 814 766	24 086 919	9 811 149	5 934 305	15 745 454
Operating lease straight-line liability	-	412 414	412 414	-	573 892	573 892
	11 272 153	13 227 180	24 499 333	9 811 149	6 508 197	16 319 346
Current liabilities						
Current tax payable	5 782 704	(5 782 704)	-	12 449 862	(12 449 862)	-
Trade and other payables	38 795 827	(948 936)	37 846 891	18 912 443	(399 248)	18 513 195
Provisions	9 731 536	(3 286 886)	6 444 650	4 671 477	(4 671 477)	-
	54 310 067	(10 018 526)	44 291 541	36 033 782	(17 520 587)	18 513 195

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38. Prior period restatements (continued)

Consolidated statement of comprehensive income:

	2014			2013		
	Previously stated	Transfer	Restated amount	Previously stated	Transfer	Restated amount
Revenue	492 507 328	(60 533 196)	431 974 132	469 924 562	(67 721 841)	402 202 721
Cost of sales	(245 265 320)	28 765 668	(216 499 652)	(205 249 277)	51 777 468	(153 471 809)
Gross profit	247 242 008	(31 767 528)	215 474 480	264 675 285	(15 944 373)	248 730 912
Other income	26 566 443	24 573 074	51 139 517	1 064 827	8 846 815	9 911 642
Operating expenses	(148 955 449)	-	(148 955 449)	(104 605 038)	-	(104 605 038)
Operating profit	124 853 002	(7 194 454)	117 658 548	161 135 074	(7 097 558)	154 037 516
Investment revenue	5 682 778	(2 437 781)	3 244 997	3 910 012	(2 050 859)	1 859 153
Finance costs	(3 525 869)	62 012	(3 463 857)	(2 469 717)	-	(2 469 717)
Profit before taxation	127 009 911	(9 570 223)	117 439 688	162 575 369	(9 148 417)	153 426 952
Taxation	(32 416 208)	2 679 662	(29 736 546)	(64 498 884)	10 518 668	(53 980 216)
Profit for the year	94 593 703	(6 890 560)	87 703 143	98 076 485	1 370 251	99 446 736
Attributable to:						
Owners of parent	25 665 257	39 275 773	64 941 030	49 382 790	25 588 877	74 971 667
Non-controlling interest	68 928 446	(50 588 105)	18 340 341	48 693 695	(30 257 292)	18 436 403

Consolidated statement of cash flows:

	2014			2013		
	Previously stated	Transfer	Restated amount	Previously restated	Transfer	Restated amount
Cash flows from operating activities	64 738 926	(18 591 476)	46 147 450	129 188 490	(7 700 741)	121 487 749
Cash generated by operations	97 598 508	(32 443 199)	65 155 309	178 749 974	(11 429 667)	167 320 307
Cash flows from investing activities	(657 156)	-	(657 156)	2 845 952	(6 344)	2 839 608
Cash flows from financing activities	(42 102 585)	-	(42 102 585)	(95 044 353)	(3 849 216)	(98 893 569)
Total cash movement for the year	21 979 185	(18 591 476)	3 387 709	36 990 089	(11 556 301)	25 433 788
Cash and cash equivalents at beginning of the year	119 324 819	(42 009 325)	77 315 494	82 334 730	(30 453 024)	51 881 706
Cash and cash equivalents at end of the year	141 304 004	(60 600 801)	80 703 203	119 324 819	(42 009 325)	77 315 494

