

CEPPWAWU INVESTMENTS PROPRIETARY LIMITED
(Registration number 1999/022473/07)
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

These consolidated annual financial statements were prepared by:

Karen Greadie

Group Financial Manager

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

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Investment Holding
Directors	I.O Shongwe R.P Tsotetsi S. Mofokeng
Registered office	1 Sixth Avenue Melville 2092
Postal address	P.O. Box 1441 Northcliff 2115
Bankers	First National Bank Limited
Auditors	Nexia SAB&T Registered Auditors
Secretary	J.R Hollis and Company
Company registration number	1999/022473/07
Level of assurance	These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

CEPPWAWU Investments Proprietary Limited

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

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CEPPWAWU Investments Proprietary Limited
Consolidated Annual Financial Statements for the year ended 28 February 2018

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 of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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.

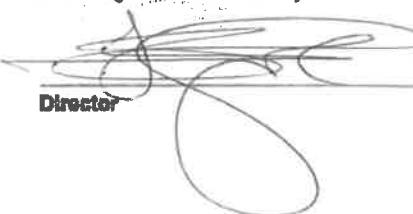
The directors have reviewed the group's cash flow forecast and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the 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 page 4 and 5.

The consolidated annual financial statements set out on page 6 to 30, which have been prepared on the going concern basis, were approved by the board of directors on _____ and were signed on their behalf by:



Director



Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Ceppwawu Investments (Pty) Ltd

Report on the Audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Ceppwawu Investments (Pty) Ltd and its subsidiaries (the Group) set out on pages 8 to 30, which comprise the consolidated and separate statement of financial position as at 28 February 2018, and the consolidated and separate statement of profit and loss and comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 28 February 2018, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standard and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements* section of our report. We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprise the information included in the document titled "Ceppwawu Investments Proprietary Limited Consolidated Annual Financial Statements for the year ended 28 February 2018", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated and separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Nexia SAB&T

Nexia SAB&T

S. Kleovoulou

Director

Registered Auditor

04 February 2021

119 Witch-Hazel Avenue

Highveld Technopark

Centurion

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Ceppwawu Investments (Pty) Ltd for the year ended 28 February 2018.

1. Nature of business

The group is engaged in investment holding and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached consolidated annual financial statements and do not in our opinion require any further comment.

There have been no material changes to the nature of the group's business from the prior year.

2. Review of financial results and activities

The consolidated 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.

3. Authorised and Issued share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends Paid

The board of directors do not recommend the declaration of a dividend for the year.

5. Directors

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

Directors	Nationality
I.O Shongwe	South African
R.P Tsotetsi	South African
S. Mofokeng	South African

6. Interests in subsidiaries and associates

Details of material interests in subsidiary companies and associates are presented in the consolidated annual financial statements in notes 4 and 3. There were no significant acquisitions or divestitures during the year ended 28 February 2018.

7. Events after the reporting period

The World Health Organisation announced that the new coronavirus disease (COVID-19) had become a pandemic on 11 March 2020. The group has developed policies and procedures to address the health and wellbeing of employees. At the date of this report, management have managed to mitigate there being any significant negative impact on cash flows but note that the situation is ongoing and could change. Based on the measures that have been introduced and regular cash flow reviews, the COVID-19 pandemic is an event that does not need to be adjusted for and there is no immediate concern around going concern. The board is of the opinion that the company will continue to report on the going concern basis in the foreseeable twelve-month period.

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

8. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated 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.

9. Auditors

Nexia SAB&T will continue in office as auditors for the company and its subsidiaries for 2019.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Directors' Report

10. Secretary

The company secretary is J.R Hollis and Company.

Business address:

1 Sixth Avenue
Melville
2092

11. Liquidity and Solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008 and are satisfied that the group will have sufficient funds available in order to continue as a going concern.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2018

		Group		Company	
	Note(s)	2018 R	2017 R	2018 R	2017 R
Assets					
Non-Current Assets					
Investments in subsidiaries	3	-	-	3 551 680	3 551 680
Investments in associates	4	4 156 308	4 156 308	3 635 908	3 635 908
Loans to group companies	5	-	-	1 568 235	1 002 705
Loans to shareholders	6	988 598	988 598	988 598	988 598
Other financial assets	7	2 930 485 287	3 076 628 151	2 899 251 678	3 043 777 867
		2 935 630 193	3 081 773 057	2 908 996 099	3 052 956 758
Current Assets					
Trade and other receivables	9	1 326 316	1 002 705	-	-
Current tax receivable		415 010	1 101 245	-	-
Cash and cash equivalents	10	138 606 294	129 576 477	123 834 191	106 325 157
		140 347 620	131 680 427	123 834 191	106 325 157
Total Assets		3 075 977 813	3 213 453 484	3 032 830 290	3 159 281 915
Equity and Liabilities					
Equity					
Share capital	11	100	100	100	100
Reserves		2 431 249 856	2 561 234 082	(553 817 123)	(423 671 445)
Retained income		74 022 507	25 680 364	3 014 666 767	2 955 833 344
		2 505 272 463	2 586 914 546	2 460 849 744	2 532 161 999
Liabilities					
Non-Current Liabilities					
Loans from group companies	5	-	-	1 484 980	1 504 200
Deferred tax	8	563 137 004	600 744 605	563 137 004	600 704 829
Other financial liabilities		528 218	528 218	528 218	528 218
		563 665 222	601 272 823	565 150 202	602 737 247
Current Liabilities					
Trade and other payables	12	6 648 187	7 367 093	6 438 403	6 499 454
Current tax payable		391 941	17 899 022	391 941	17 883 215
		7 040 128	25 266 115	6 830 344	24 382 669
Total Liabilities		570 705 350	626 538 938	571 980 546	627 119 916
Total Equity and Liabilities		3 075 977 813	3 213 453 484	3 032 830 290	3 159 281 915

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	Group		Company	
		2018 R	2017 R	2018 R	2017 R
Other operating gains (losses)		(1 538 932)	-	-	-
Other operating expenses		(689 975)	(3 430 406)	(473 388)	(32 249 074)
Operating loss	13	(2 228 907)	(3 430 406)	(473 388)	(32 249 074)
Investment income	14	44 311 743	76 765 653	61 095 382	39 321 332
Interest and penalties (paid) / refunded	15	8 178 227	(6 849 348)	(456 858)	-
Income from equity accounted investments		-	887 113	-	887 113
Other non-operating gains (losses)		-	3 455 881	-	3 278 312
Profit before taxation		50 261 063	70 828 893	60 165 136	11 237 683
Taxation	16	(1 952 550)	(125 587 739)	(1 331 713)	(100 010 837)
Profit (loss) for the year		48 308 513	(54 758 846)	58 833 423	(88 773 154)
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Available-for-sale financial assets adjustments		(167 713 502)	54 608 645	(167 713 502)	54 608 645
Income tax relating to items that may be reclassified		37 567 824	(12 232 336)	37 567 824	(12 232 336)
Total items that may be reclassified to profit or loss		(130 145 678)	42 376 309	(130 145 678)	42 376 309
Other comprehensive income for the year net of taxation	17	(130 145 678)	42 376 309	(130 145 678)	42 376 309
Total comprehensive (loss) income for the year		(81 837 165)	(12 382 537)	(71 312 255)	(46 396 845)

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Statement of Changes in Equity

	Share capital	Fair value adjustment assets- available-for- sale reserve	Retained income	Total equity
	R	R	R	R
Group				
Balance at 01 March 2016	100 2 518 785 646		80 439 210	2 599 224 956
Loss for the year	-	-	(54 758 846)	(54 758 846)
Other comprehensive income	-	42 376 309	-	42 376 309
Total comprehensive Loss for the year	-	42 376 309	(54 758 846)	(12 382 537)
Balance at 01 March 2017	100 2 561 161 955		25 680 364	2 586 842 419
Profit for the year	-	-	48 308 513	48 308 513
Other comprehensive income	-	(130 145 678)	-	(130 145 678)
Total comprehensive income for the year	-	(130 145 678)	48 308 513	(81 837 165)
Dividends paid	-	-	33 630	33 630
Total contributions by and distributions to owners of company recognised directly in equity	-	-	33 630	33 630
Balance at 28 February 2018	100 2 431 249 856		74 022 507	2 505 272 463
Note(s)	11	17	17	
Company				
Balance at 01 March 2016	100 (466 047 754)	3 044 606 498	2 578 558 844	
Loss for the year	-	-	(88 773 154)	(88 773 154)
Other comprehensive income	-	42 376 309	-	42 376 309
Total comprehensive Loss for the year	-	42 376 309	(88 773 154)	(46 396 845)
Balance at 01 March 2017	100 (423 671 445)	2 955 833 344	2 532 161 999	
Profit for the year	-	-	58 833 423	58 833 423
Other comprehensive income	-	(130 145 678)	-	(130 145 678)
Total comprehensive income for the year	-	(130 145 678)	58 833 423	(71 312 255)
Balance at 28 February 2018	100 (553 817 123)	3 014 666 767	2 460 849 744	
Note(s)	11	17	17	

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

		Group		Company	
	Note(s)	2018 R	2017 R	2018 R	2017 R
Cash flows from operating activities					
Cash (used in)/generated from operations	18	(1 537 411)	(1 664 019)	(534 439)	(31 394 225)
Interest income		7 465 107	7 552 749	5 062 558	4 397 142
Dividend income		36 846 636	36 540 190	56 032 824	34 924 190
Interest and penalties (paid) / refunded		8 178 227	(6 849 348)	(456 858)	-
Tax paid	19	(18 813 172)	(191 731 658)	(18 822 987)	(528 088)
Net cash from operating activities		32 139 387	(156 152 086)	41 281 098	7 399 019
Cash flows from investing activities					
Loans to group companies repaid		-	-	-	1 359 475
Loans advanced to group companies		-	-	(584 750)	261 647
Movement in financial assets		(23 109 570)	-	(23 187 313)	-
Dividends received		-	-	-	-
Net cash from investing activities		(23 109 570)	-	(23 772 063)	1 621 122
Total cash movement for the year		9 029 817	(156 152 086)	17 509 035	9 020 141
Cash at the beginning of the year		129 576 477	285 728 563	106 325 157	97 305 015
Total cash at end of the year	10	138 606 294	129 576 477	123 834 192	106 325 156

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

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 consolidated annual financial statements have been prepared on the historical cost basis, except for cash flow statement which is prepared on a cash basis 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.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all entities, including special purpose entities, which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the 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.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.1 Consolidation (continued)

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.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.1 Consolidation (continued)

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.

1.2 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 Loans and receivables

The group assesses its trade receivables and loans and receivables 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.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

Accounting Policies

1.2 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.

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. They are significantly affected by a number of factors.

Fair Value of Investment in Associate

The group assesses the investment in associate at each statement of financial position date as indicated in note 4 of the consolidated annual financial statements. 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 and are accounted for by equity accounting these investments in the financial statements of the group as disclosed in note 4.

1.3 Investments in subsidiaries

Group annual financial statements

In the company's separate consolidated annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

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 company; 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.

1.4 Investments in associates

Company consolidated annual financial statements

An investment in an associate is carried at cost less any accumulated impairment. Under the equity method, the investment is initially recognised at cost and the carrying amounts is increased or decreased to recognise the group's share of the profits or losses of the investee after acquisition date.

The use of the equity method is discounted from the date the group ceases to have significant influence over an associate.

Any impairment losses are deducted from the carrying amount of the investment in associate. Distributions received from the associate reduce the carrying amount of the investment. Profits and losses resulting from transactions with associates are recognised only to the extent of unrelated investor's interests in the associate. The excess of the groups' interest of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost is accounted for as goodwill and is included in the carrying amount of the associate.

The excess of the group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost is excluded from the carrying amount of the investment and is instead included as income in the period in which the investment is acquired.

1.5 Financial instruments

Classification

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

- Financial assets at fair value through profit or loss - designated
- 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.

CEPPWAWU Investments Proprietary Limited

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Accounting Policies

1.5 Financial instruments (continued)

Initial recognition and measurement

Financial instruments are recognised initially 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 exclude 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.

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.

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.

Financial liabilities are derecognised when its contractual obligations are discharged, cancelled or expired.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions; reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.5 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.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

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 available-for-sale

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned. These investments are measured initially and subsequently at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain and loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in profit and loss are for debt instruments classified as available for sale are subsequently reversed if an increasing the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Loans to related parties

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

Loans to related parties are classified as loans and receivables.

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

Loans to shareholders

These financial assets 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.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.5 Financial instruments (continued)

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.

1.6 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax 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 tax 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 tax 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).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax 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.

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

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

1.7 Impairment of non - financial 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.

CEPPWAWU Investments Proprietary Limited

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Accounting Policies

1.7 Impairment of non - financial assets (continued)

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.

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.

1.8 Share capital and equity

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

1.9 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.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.10 Revenue

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 company's right to receive payment has been established.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 Cash Flow Statement

The Cash Flow Statement has been prepared on the indirect method.

CEPPWAWU Investments Proprietary Limited

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Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2018 R	2017 R	2018 R	2017 R

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

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 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2009	Unlikely there will be a material impact
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact
• IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018	Unlikely there will be a material impact

3. Interests in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	Held by	% holding 2018	% holding 2017	Carrying amount 2018	Carrying amount 2017
Amalgum Investments 35 Proprietary Limited		100.00 %	100.00 %	120	120
Amalgum Investments 36 Proprietary Limited		100.00 %	100.00 %	3 550 120	3 550 120
Amalgum Investments 37 Proprietary Limited		100.00 %	100.00 %	-	120
Amalgum Investments 64 Proprietary Limited		100.00 %	100.00 %	120	120
Ceppawu Pharmaceuticals Investments Proprietary Limited		100.00 %	100.00 %	-	1 000
Ceppawu Pharmaceuticals Investments Two Proprietary Limited		100.00 %	100.00 %	-	100
Inyanga Trading 214 Proprietary Limited		100.00 %	100.00 %	100	100
				3 550 460	3 551 680

The carrying amounts of subsidiaries are shown net of impairment losses.

CEPPWAWU Investments Proprietary Limited

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Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2018 R	2017 R	2018 R	2017 R

4. Investments in associates

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

Group

Name of company	Held by	% ownership interest 2018	% ownership interest 2017	Carrying amount 2018	Carrying amount 2017
Cirebelle Proprietary Limited		22.00 %	22.00 %	3 635 908	3 635 908
Investment in Allegra Properties - 50% (no control)		50.00 %	50.00 %	200	200
Red Coral Investments Proprietary Limited		20.41 %	20.41 %	200	200
Old Priory Investments Proprietary Limited		20.00 %	20.00 %	520 000	520 000
				4 156 308	4 156 308

Company

Name of company	Held by	% ownership interest 2018	% ownership interest 2017	Carrying amount 2018	Carrying amount 2017
Cirebelle		22.00 %	22.00 %	3 635 908	3 635 908

The carrying amounts of Associates are shown net of impairment losses.

Fair value

The fair values, determined annually at the end of the reporting period, were determined as follows:

- The fair values of listed or quoted investments are based on the quoted market price.
- The fair values on investments not listed or quoted on a stock exchange were based on the underlying net asset income which consists solely in dividend income.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2018 R	2017 R	2018 R	2017 R

5. Loans to (from) group companies

Subsidiaries

Ceppwawu Pharmaceuticals Investments Two Proprietary Limited	-	-	-	(100)
Amalgum Investments 64 Proprietary Limited	-	-	(1 483 760)	(1 502 980)
Inyanga Trading 214 Proprietary Limited	-	-	1 074 376	1 002 705
Amalgum Investments 37 Proprietary Limited	-	-	-	(120)
Ceppwawu Pharmaceuticals Investments Proprietary Limited	-	-	-	(1 000)
Amalgum Investments 35 Proprietary Limited	-	-	37 859	-
Imithi investments Proprietary Limited	-	-	456 000	-
	-	-	84 475	(501 495)

The above loans are unsecured, interest free and have no fixed terms of repayment.

Non-current assets	-	-	1 568 235	1 002 705
Non-current liabilities	-	-	(1 483 760)	(1 504 200)
	-	-	84 475	(501 495)

6. Loans to (from) shareholders

Ceppwawu Development Trust	988 598	988 598	988 598	988 598
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The above loans are unsecured, interest free and have no fixed terms of repayment.

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2018 R	2017 R	2018 R	2017 R
7. Other financial assets				
At fair value through profit or loss - designated				
Aspen Pharmacare Holdings Proprietary Limited				
Ceppwawu Investments Proprietary Limited holds 1,503,813 shares in the current year (2017 : 1 503 813) shares at R270.10 (2017 : R283.37).	406 179 891	426 135 490	406 179 891	426 135 490
Nampak Limited	31 311 351	32 850 284	-	-
Amalgum Investments 64 Proprietary Limited holds 1,972,990 shares in the current year at R 15.87 (2017: R16.65).				
	437 491 242	458 985 774	406 179 891	426 135 490
Available-for-sale				
Aspen Pharmacare Holdings Limited				
Ceppwawu Investments Proprietary Limited holds 8,549,555 (2017: 8,549,555) shares in aspen at R270.10 (2017: R283.37). The fair values of listed or quoted investments are based on the quoted market price (Level 1) at the reporting period date. The ordinary shares were acquired at an initial cost of R11 per share and 17 600 000 converted at R21 per share.	2 309 234 805	2 422 687 400	2 309 234 805	2 422 687 400
Transpaco Limited				
Ceppwawu Investments Proprietary Limited holds 6,661,225 (2017: 6,661,225) shares in Transpaco Limited at R23.75 (2017: R28.90).	158 204 094	192 509 403	158 204 094	192 509 403
	2 467 438 899	2 615 196 803	2 467 438 899	2 615 196 803
Loans and receivables				
Ceppwawu				
The loan is secured, interest free and is payable within 6 months of the date that Ceppwawu Development Trust (CDT) becomes quorate or once quorate, upon CDT making a distribution to the Union.	25 555 146	2 445 574	25 555 146	2 445 574
Allegra Properties 3 Proprietary Limited	-	-	77 742	-
The above loan is unsecured interest free and has no fixed terms of repayment.				
Total other financial assets	25 555 146	2 445 574	25 632 888	2 445 574
	2 930 485 287	3 076 628 151	2 899 251 678	0 433 777 867

CEPPAWU Investments Proprietary Limited
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Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2018 R	2017 R	2018 R	2017 R
7. Other financial assets (continued)				
Non-current assets				
Designated as at FV through profit (loss) (FV through income)				
Available-for-sale	437 491 242	458 985 774	406 179 891	426 135 490
Loans and receivables	2 467 438 899	2 615 196 803	2 467 438 899	2 615 196 803
	25 555 146	2 445 574	25 632 888	2 445 574
	2 930 485 287	3 076 628 151	2 899 251 678	043 777 867
The group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.				
8. Deferred tax				
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:				
Deferred tax liability	(563 137 004)	(600 744 605)	(563 137 004)	(600 704 829)
Reconciliation of deferred tax asset / (liability)				
At beginning of year	(600 744 605)	(489 292 010)	(600 704 829)	(489 292 010)
Taxable / (deductible) temporary difference on investments in shares	37 567 825	(111 452 595)	37 567 825	(111 412 819)
Movement in deferred tax	39 776	-	-	-
	(563 137 004)	(600 744 605)	(563 137 004)	(600 704 829)
9. Trade and other receivables				
Trade receivables	1 326 316	1 002 705	-	-

CEPPWAWU Investments Proprietary Limited

Consolidated Annual Financial Statements for the year ended 28 February 2018

Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2018 R	2017 R	2018 R	2017 R
10. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Bank balances	138 606 294	129 576 477	123 834 191	106 325 157
11. Share capital				
Authorised				
1000 Ordinary shares of R1 each	1 000	1 000	1 000	1 000
Issued				
Ordinary	100	100	100	100
12. Trade and other payables				
Trade payables	125 661	353 662	125 666	353 667
Other payables	-	741 000	-	-
Accrued expenses	6 287 615	6 202 431	6 145 787	6 145 787
Accrued audit fees	234 911	70 000	166 950	-
	6 648 187	7 367 093	6 438 403	6 499 454
13. Operating profit (loss)				
Operating loss for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	529 776	486 935	471 393	30 878 886
14. Investment income				
Dividend income				
From group entities:				
Subsidiaries - Local	-	-	19 186 188	-
From investments in financial assets measured at fair value through profit or loss:				
Listed investments - Local	36 846 636	69 212 904	36 846 636	34 924 190
Total dividend income	36 846 636	69 212 904	56 032 824	34 924 190
Interest income				
From investments in financial assets:				
Bank and other cash	5 075 120	4 412 888	5 062 558	4 397 142
Other financial assets	2 389 987	3 139 861	-	-
Total interest income	7 465 107	7 552 749	5 062 558	4 397 142
Total investment income	44 311 743	76 765 653	61 095 382	39 321 332
15. Interest and penalties (paid) / refunded				
Interest and penalties (paid) / refunded	(8 178 227)	6 849 348	456 858	-

CEPPWAWU Investments Proprietary Limited

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Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2018 R	2017 R	2018 R	2017 R
16. Taxation				
Major components of the tax expense (income)				
Current				
Local income tax - current period	1 992 326	99 685 582	1 331 713	99 180 483
Local income tax - recognised in current tax for prior periods	-	25 032 027	-	-
	1 992 326	124 717 609	1 331 713	99 180 483
Deferred				
Taxable Temporary difference on revaluation of available for sale financial assets	-	830 354	-	830 354
Other deferred tax	(39 776)	39 776	-	-
	(39 776)	870 130	-	830 354
	1 952 550	125 587 739	1 331 713	100 010 837

17. Other comprehensive income

Components of other comprehensive income - Group - 2018

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Available-for-sale financial assets adjustments			
Reclassification adjustments for available-for-sale financial assets	(167 713 502)	37 567 824	(130 145 678)

Components of other comprehensive income - Group - 2017

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Available-for-sale financial assets adjustments			
Reclassification adjustments for available-for-sale financial assets	54 608 645	(12 232 336)	42 376 309

Components of other comprehensive income - Company - 2018

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Available-for-sale financial assets adjustments			
Reclassification adjustments for available-for-sale financial assets	(167 713 502)	37 567 824	(130 145 678)

Components of other comprehensive income - Company - 2017

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Available-for-sale financial assets adjustments			
Reclassification adjustments for available-for-sale financial assets	54 608 645	(12 232 336)	42 376 309

CEPPWAWU Investments Proprietary Limited

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Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2018 R	2017 R	2018 R	2017 R
18. Cash used in operations				
Profit before taxation	50 261 063	70 828 893	60 165 136	11 237 683
Adjustments for:				
Gains on disposals, scrapings and settlements of assets and liabilities	-	(3 455 881)	-	(3 278 312)
Income from equity accounted investments	-	(887 113)	-	(887 113)
Dividend income	(36 846 636)	(69 212 904)	(56 032 824)	(34 924 190)
Interest income	(7 465 107)	(7 552 749)	(5 062 558)	(4 397 142)
Interest and penalties (paid) / refunded	(8 178 227)	6 849 348	456 858	-
Fair value losses	1 538 932	-	-	-
Impairment losses and reversals	-	1 167 299	-	905 653
Changes in working capital:				
Trade and other receivables	(323 611)	(83 299)	-	-
Trade and other payables	(523 825)	682 387	(61 051)	(50 804)
	(1 537 411)	(1 664 019)	(534 439)	(31 394 225)

19. Tax paid

Balance at beginning of the year	(16 797 777)	(182 161 955)	(17 883 215)	(17 580 949)
Current tax for the year recognised in profit or loss	(1 992 326)	(26 367 480)	(1 331 713)	(830 354)
Balance at end of the year	(23 069)	16 797 777	391 941	17 883 215
	(18 813 172)	(191 731 658)	(18 822 987)	(528 088)

20. Related parties

Relationships	
Ultimate holding company	Ceppwawu Development Trust
Subsidiaries	Refer to note 3
Associates	Refer to note 4
Members of key management	DJJ Thomas L McLachlan

The company entered into transactions and had balances with related parties as listed below. These include subsidiaries and shareholders. The transactions that are eliminated on consolidation are not included. Transactions with related parties are effected on a commercial basis and related party debts are repayable on a commercial basis.

Related party balances

Loan accounts - Owing (to) by related parties

Amalgum Investments 35 Proprietary Limited	-	-	37 859	-
Amalgum Investments 37 Proprietary Limited	-	-	-	(120)
Amalgum Investments 64 Proprietary Limited	-	-	(1 483 760)	(1 502 980)
Ceppwawu Pharmaceuticals Investments One Proprietary Limited	-	-	-	(1 000)
Ceppwawu Pharmaceuticals Investments Two Proprietary Limited	-	-	-	(100)
Inyanga Trading 214 Proprietary Limited	-	-	1 074 376	1 002 705
Imithi Investments Proprietary Limited	-	-	456 000	-
Ceppwawu	-	-	23 109 753	-

21. Directors' emoluments

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

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Group		Company	
2018 R	2017 R	2018 R	2017 R

22. 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 shareholder 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 (excluding derivative financial liabilities) disclosed in notes 5 & 6 cash and cash equivalents disclosed in note 10, 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 shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Financial risk management

The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

The group's financial instruments consist mainly of investment in listed shares, accounts receivables, deposits with banks, cash and cash equivalents and accounts payable.

Liquidity risk

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.

The group maintains a sufficient level of liquidity to be able to meet all obligations. No additional banking facilities or reserve borrowings are considered necessary.

Interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

Credit risk

Credit risk is managed on a group basis.

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

Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated statement of financial position either as available-for-sale or at fair value through profit or loss. The group is not exposed to commodity price risk.

23. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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	2018 R	2017 R	2018 R	2017 R

24. Events after the reporting period

The World Health Organisation announced that the new coronavirus disease (COVID-19) had become a pandemic on 11 March 2020. The group has developed policies and procedures to address the health and wellbeing of employees. At the date of this report, management have managed to mitigate there being any significant negative impact on cash flows but note that the situation is ongoing and could change. Based on the measures that have been introduced and regular cash flow reviews, the COVID-19 pandemic is an event that does not need to be adjusted for and there is no immediate concern around going concern. The board is of the opinion that the company will continue to report on the going concern basis in the foreseeable twelve-month period.

The directors are not aware of any material event which occurred after the reporting date and up to the date of the audit report which could affect the financial statements.