

**CEPPWAWU INVESTMENTS
(PTY) LTD**
Registration number 1999/022473/07)
**CONSOLIDATED ANNUAL FINANCIAL
STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2013**

These consolidated annual financial statements were prepared by:
Karen Greadie
These consolidated annual financial statements have been audited in compliance with the applicable
requirements
of the Companies Act 71 of 2008.
Published 28 February 2014



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Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Investment Holding
Directors	I.O Shongwe R.P Tsotetsi M. Nxumalo J. Mabena S. Mofokeng
Registered office	1 Sixth Avenue Melville 2092
Business address	1st Floor, Block 5 Bryanston Gate Bryanston 2092
Postal address	P.O. Box 1441 Northcliff 2115
Bankers	First National Bank
Auditors	Nexia SAB&T Chartered Accountants (S.A.) Registered Auditors
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 (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Index

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

Index	Page
Directors' Responsibilities and Approval	3
Independent Auditors' Report	4
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8 - 9
Statement of Cash Flows	10
Accounting Policies	11 - 20
Notes to the Consolidated Annual Financial Statements	20 - 33

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

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 judgments 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 for the year to 28 February 2014 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 reviewing 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.

The consolidated annual financial statements set out on pages 5 to 33, which have been prepared on the going concern basis, were approved by the board of directors on 28 February 2014 and were signed on its behalf by:

Director

Director



Independent Auditor's Report

To the Shareholders of Ceppwawu Investments (Pty) Ltd

We have audited the group and company annual financial statements of Ceppwawu Investments (Pty) Ltd, which comprise the statement of financial position as at 28 February 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 33.

Directors' Responsibility for the Annual Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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 statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 annual financial statements present fairly, in all material respects, the financial position of the group and company Financial Statements of Ceppwawu Investments (Pty) Ltd as at 28 February 2013, 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.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 28 February 2013, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Nexia SAB&T

Nexia SAB&T
Registered Auditors
Per director: S.Kleovoulou
Date: 28 February 2014

SAB&T Chartered Accountants Incorporated's principal place of business is at 119 Witch-Hazel Avenue, Highveld Technopark, Centurion where a list of directors' names is available for inspection.

National Executive: B Adam (CEO), A Darmalingam, H Kajje, K Rama

119 Witch-Hazel Avenue, Highveld Technopark, Centurion • P.O. Box 10512, Centurion, 0046 • Docex 15, Centurion
Tel: (012) 682 8800 • Fax: (012) 682 8801 • www.nexia-sabf.co.za

Other Offices: Bloemfontein, Cape Town, Durban, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg, London (UK)

SAB&T Chartered Accountants Incorporated is an independent member firm of
Co. Reg No.: 1997/018869/21



Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Directors' Report

The directors submit their report for the year ended 28 February 2013.

1. Review of activities

Main business and operations

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.

2. Events after the reporting period

The directors have proposed and declared a dividend amounting to R 33 500 000 to Ceppwawu Development Trust on the 19th of March 2013.

3. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the group during the year under review.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality
I.O Shongwe	South African
R.P Tsotetsi	South African
M. Nxumalo	South African
J. Mabena	South African
S. Mofokeng	South African

5. Interest in subsidiaries

Name of subsidiary	Net income (loss) after tax
Amalgum Investments 35 (Pty) Ltd	587 803 844
Amalgum Investments 36 (Pty) Ltd	5 061 436
Amalgum Investments 37 (Pty) Ltd	26 250 759
Amalgum Investments 64 (Pty) Ltd	(12 057)
Ceppwawu Pharmaceuticals Investments (Pty) Ltd	(17 779 174)
Ceppwawu Pharmaceuticals Investments 2 (Pty) Ltd	122 168 398
Inyanga Trading 214 (Pty) Ltd	3 249

Details of the company's investment in subsidiaries are set out in note 4.

6. Auditors

Nexia SAB&T will continue in office in accordance with section 90 of the Companies Act of South Africa.

7. Black Economic Empowerment Co-operation Agreement

Amalgum Investments 64 (Pty) Ltd

Nampak Limited has furnished Red Coral Investments 23 (Pty) Ltd with a Broad-Based Black Economic Empowerment deal as contemplated in the BEE Co-Operation Agreement. As a result Red Coral Investments 23 (Pty) Ltd issued 20.41% of their shares to Amalgum Investments 64 (Pty) Ltd.

Amalgum Investments 64 (Pty) Ltd has disclosed this investment at cost, and has not equity accounted this investment for consolidation purposes, due to the company not exercising significant influence over the voting rights of Red Coral Investments 23 (Pty) Ltd.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Statement of Financial Position

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Assets					
Non-Current Assets					
Goodwill	3	104 513	104 513	-	-
Investments in subsidiaries	4	-	-	3 551 680	3 551 680
Investments in associates	5	5 764 901	6 668 038	5 244 501	6 147 638
Loans to group companies	6	-	-	53 597 659	12 692 858
Loans to shareholders	7	34 488 598	983 468	34 488 598	983 468
Other financial assets	8	3 967 294 706	3 812 370 149	374 473 861	47 904 938
		4 007 652 718	3 820 126 168	471 356 299	71 280 582
Current Assets					
Current tax receivable		901 874	1 488 378	901 874	-
Trade and other receivables	10	1 340 921	18 356 782	-	20 983
Cash and cash equivalents	11	210 581 276	260 074 667	196 225 043	232 906 675
		212 824 071	279 919 827	197 126 917	232 927 658
Total Assets		4 220 476 789	4 100 045 995	668 483 216	304 208 240
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Share capital	12	100	100	100	100
Reserves		1 193 559 399	1 317 888 486	(177 145 695)	(18 106 935)
Retained income		907 151 919	447 239 879	644 166 167	22 363 114
		2 100 711 418	1 765 128 465	467 020 572	4 256 279
Non-controlling interest		1 418 323 058	1 137 126 427	-	-
		3 519 034 476	2 902 254 892	467 020 572	4 256 279
Liabilities					
Non-Current Liabilities					
Preference share liability	13	-	625 255 647	-	-
Loans from group companies	6	-	-	13 349 039	273 145 765
Loans from shareholders	7	9 372 350	9 544 381	-	-
Other financial liabilities	14	177 145 696	18 106 935	177 145 696	18 106 935
Deferred tax	9	503 687 522	445 675 064	-	-
Other liabilities		528 218	526 056	528 218	526 056
		690 733 786	1 099 108 083	191 022 953	291 778 756
Current Liabilities					
Preference share liability	13	-	37 395 750	-	-
Loans from group companies	6	5 700	-	-	-
Other financial liabilities	14	-	52 561 880	-	-
Current tax payable		35 427	779 183	-	482 631
Trade and other payables	15	10 667 400	7 946 207	10 439 691	7 690 574
		10 708 527	98 683 020	10 439 691	8 173 205
Total Liabilities		701 442 313	1 197 791 103	201 462 644	299 951 961
Total Equity and Liabilities		4 220 476 789	4 100 045 995	668 483 216	304 208 240

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Statement of Comprehensive Income

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Profit from sale of Shares		1 052 092 148	-	-	-
Operating expenses		(20 950 216)	(3 767 177)	(3 071 468)	(3 383 170)
Operating profit (loss)		1 031 141 932	(3 767 177)	(3 071 468)	(3 383 170)
Investment revenue	16	75 988 165	60 232 832	627 434 712	12 547 113
Fair value adjustments	17	101 139 211	60 463 659	-	-
Income from equity accounted investments		(903 137)	(1 073 793)	(903 137)	(1 073 793)
Finance costs	18	(305 472 436)	(59 114 983)	(2 042)	(139 578)
Profit before taxation		901 893 735	56 740 538	623 458 065	7 950 572
Taxation	19	(165 174 325)	(11 210 638)	(1 655 012)	(2 526 822)
Profit for the year		736 719 410	45 529 900	621 803 053	5 423 750
Other comprehensive income:					
Available-for-sale financial assets adjustments		1 213 226 864	407 683 148	-	-
Taxation related to components of other comprehensive income		(231 203 195)	(57 075 641)	-	-
Gains reclassified on sale of available-for-sale investment		(1 051 143 174)	-	-	-
Taxation related to components of other comprehensive income		147 160 044	-	-	-
Other comprehensive income for the year net of taxation	21	78 040 539	350 607 507	-	-
Total comprehensive income		814 759 949	396 137 407	621 803 053	5 423 750
Total comprehensive income attributable to:					
Owners of the parent		533 011 866	403 530 921	621 803 053	5 423 750
Non-controlling interest		281 748 083	(7 393 514)	-	-
		814 759 949	396 137 407	621 803 053	5 423 750

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Statement of Changes in Equity

Figures in Rand	Share capital	Contractual incentive reserve	Fair value adjustment assets-available-for-sale reserve	Total reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Group								
Balance at 01 March 2011	100	(18 106 935)	932 941 393	914 834 458	394 316 465	1 309 151 023	791 502 489	2 100 653 512
Changes in equity								
Total comprehensive income for the year	-	-	350 607 507	350 607 507	52 923 414	403 530 921	(7 393 514)	396 137 407
Fair value gains / (losses)	-	-	-	-	-	-	353 017 452	353 017 452
Other	-	-	52 446 521	52 446 521	-	52 446 521	-	52 446 521
Total changes	-	-	403 054 028	403 054 028	52 923 414	455 977 442	345 623 938	801 601 380
Balance at 01 March 2012	100	(18 106 935)	1 335 995 421	1 317 888 486	447 239 879	1 765 128 465	1 137 126 427	2 902 254 892
Changes in equity								
Total comprehensive income for the year	-	-	78 040 539	78 040 539	454 971 327	533 011 866	281 748 083	814 759 949
Business combination - dilution of interest	-	-	-	-	4 919 400	4 919 400	(4 919 400)	-
Fair value gains / (losses)	-	-	-	-	-	-	43 330 865	43 330 865
Share buy back	-	-	-	-	-	-	(16 831 742)	(16 831 742)
Dividends	-	-	-	-	10	10	(22 131 175)	(22 131 165)
Other	-	-	-	-	21 303	21 303	-	21 303
Liability for the year	-	(159 038 761)	-	(159 038 761)	-	(159 038 761)	-	(159 038 761)
Total changes	-	(159 038 761)	78 040 539	(80 998 222)	459 912 040	378 913 818	281 196 631	660 110 449
Balance at 28 February 2013	100	(177 145 695)	1 370 705 094	1 193 559 399	907 151 919	2 100 711 418	1 418 323 058	3 519 034 476
Note(s)	12	21	21		21			

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)
Consolidated Annual Financial Statements for the year ended 28 February 2013

Statement of Changes in Equity

Figures in Rand	Share capital	Contractual incentive reserve	Fair value adjustment assets- available-for- sale reserve	Total reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Company								
Balance at 01 March 2011	100	(18 106 935)	-	(18 106 935)	16 939 364	(1 167 471)	-	(1 167 471)
Changes in equity								
Total comprehensive income for the year	-	-	-	-	5 423 750	5 423 750	-	5 423 750
Total changes	-	-	-	-	5 423 750	5 423 750	-	5 423 750
Balance at 01 March 2012	100	(18 106 935)	-	(18 106 935)	22 363 114	4 256 279	-	4 256 279
Changes in equity								
Total comprehensive income for the year	-	-	-	-	621 803 053	621 803 053	-	621 803 053
Liability for the year	-	(159 038 761)	-	(159 038 761)	-	(159 038 761)	-	(159 038 761)
Total changes	-	(159 038 761)	-	(159 038 761)	621 803 053	462 764 292	-	462 764 292
Balance at 28 February 2013	100	(177 145 695)	-	(177 145 695)	644 166 167	467 020 572	-	467 020 572
Note(s)	12	21	21		21			

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Statement of Cash Flows

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Cash flows from operating activities					
Cash generated from (used in) operations	22	(130 606 098)	28 624 053	(301 368)	(461 926)
Interest income		16 952 374	13 605 391	9 780 032	12 547 113
Dividends received		59 035 791	46 627 441	282 218 175	-
Finance costs		(305 472 436)	(59 114 983)	(2 042)	(139 578)
Tax paid	23	(191 362 269)	(9 952 938)	(3 039 517)	(6 071 136)
Net cash from operating activities		(551 452 638)	19 788 964	288 655 280	5 874 473
Cash flows from investing activities					
Loans advanced to group companies		5 700	-	-	-
Movements from loans from group and related companies		-	-	(300 701 527)	(4 004 462)
Sale of financial assets		108 298 344	-	(326 568 923)	(18 416)
Proceeds on sale of available for sale investment		1 159 375 210	-	-	-
Net cash from investing activities		1 267 679 254	-	(291 833 945)	(4 022 878)
Cash flows from financing activities					
Reduction of share capital or buy back of shares		(16 831 742)	-	-	-
Repayment of other financial liabilities		(52 561 879)	(851 746)	-	-
Movement in other liabilities		2 162	40 056	2 162	40 056
Repayment of shareholders loan		(33 677 161)	(969 788)	(33 505 130)	(983 468)
Repayment of preference share liability		(662 651 397)	-	-	-
Dividends paid		10	-	-	-
Net cash from financing activities		(765 720 007)	(1 781 478)	(33 502 968)	(943 412)
Total cash movement for the year		(49 493 391)	18 007 486	(36 681 633)	908 183
Cash at the beginning of the year		260 074 667	242 067 183	232 906 675	231 998 492
Total cash at end of the year	11	210 581 276	260 074 669	196 225 042	232 906 675

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

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, 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 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 (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

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.

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, Held to maturity investments and Loans and receivables

The group assesses its trade receivables, held to maturity investments 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, held to maturity investments 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.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

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.

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. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

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 including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

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 tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax 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 tax 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 tax 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 tax assets recorded at the end of the reporting period could be impacted.

Fair Value of Investment in Associate

The group assesses the investment in associate at each statement of financial position date as indicated in note 2 of the consolidated annual financial statements. The group makes judgement 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 accounted for using the cost less any accumulated impairment. Under the equity method, the investment is initially recognised at cost and the carrying amount 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 discontinued 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 group's interest in 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.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Accounting Policies

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
- 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.

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.

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.

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

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Accounting Policies

1.5 Financial instruments (continued)

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.

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 (from) group companies

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

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders

These financial assets are classified as loans and receivables.

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 30 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.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

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.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

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.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities.

The dividends on these preference shares are recognised in profit or loss as interest expense.

The fair value of the liability portion of a convertible instrument is determined using a market interest rate for an equivalent non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

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.

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.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Accounting Policies

1.6 Tax (continued)

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 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.

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.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Accounting Policies

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 Preference share liability

Compulsory convertible preference shares [Compulsory convertible debentures] are compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the group, is included in equity.

Issue costs are apportioned between the liability and equity components of the compound instruments based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

1.10 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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27 .

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Accounting Policies

1.11 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.

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2013	2012	2013	2012

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 2013 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Detail of amendment
IFRS 7 Financial Instruments: Disclosures	1 July 2011	Amendments require additional disclosure on transfer transactions of financial assets, including the possible effects of any residual risks that the transferring entity retains. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.
	1 January 2013	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations.
IFRS 9 Financial Instruments	1 January 2015	New standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement.
IFRS 10 Consolidated Financial Statements	1 January 2013	New standard that replaces the consolidation requirements in SIC-12 Consolidation—Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess.
	1 January 2013	Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

2. New Standards and Interpretations (continued)

	1 January 2014	IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement.
IFRS 13 Fair Value Measurement	1 January 2013	New guidance on fair value measurement and disclosure requirements.
IAS 1, Presentation of Financial Statements	1 January 2013	Annual Improvements 2009–2011 Cycle: Amendments clarifying the requirements for comparative information including minimum and additional comparative information required.
IAS 12 Income Taxes	1 January 2012	Rebuttable presumption introduced that an investment property will be recovered in its entirety through sale.
IAS 27 Consolidated and Separate Financial Statements	1 January 2013	Consequential amendments resulting from the issue of IFRS 10, 11 and 12.
	1 January 2014	Requirement to account for interests in 'Investment Entities' at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement, in the separate financial statements of a parent.
IAS 32 Financial Instruments: Presentation	1 January 2013	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations.
	1 January 2013	Annual Improvements 2009–2011 Cycle: Amendments to clarify the tax effect of distribution to holders of equity instruments.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group		Company	
	2013	2012	2013	2012

3. Goodwill

Group	2013			2012		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	104 513	-	104 513	104 513	-	104 513

Reconciliation of goodwill - Group - 2013

	Opening balance	Total
Amalgum Investments 36 (Pty) Ltd	104 513	104 513

Reconciliation of goodwill - Group - 2012

	Opening balance	Total
Amalgum Investments 36 (Pty) Ltd	104 513	104 513

4. Investments in subsidiaries

Name of company	% holding 2013	% holding 2012
Amalgum Investments 35 (Pty) Ltd	100,00 %	100,00 %
Amalgum Investments 36 (Pty) Ltd	100,00 %	100,00 %
Ceppwawu Pharmaceuticals Investments Two (Pty) Ltd	100,00 %	100,00 %
Amalgum Investments 64 (Pty) Ltd	100,00 %	100,00 %
Inyanga Trading 214 (Pty) Ltd	100,00 %	100,00 %
Amalgum Investments 37 (Pty) Ltd	100,00 %	100,00 %
Ceppwawu Pharmaceuticals Investments (Pty) Ltd	100,00 %	100,00 %

Name of company	Carrying amount 2013	Carrying amount 2012
Amalgum Investments 35 (Pty) Ltd	120	120
Amalgum Investments 36 (Pty) Ltd	3 550	3 550
Ceppwawu Pharmaceuticals Investments Two (Pty) Ltd	100	100
Amalgum Investments 64 (Pty) Ltd	120	120
Inyanga Trading 214 (Pty) Ltd	100	100
Amalgum Investments 37 (Pty) Ltd	120	120
Ceppwawu Pharmaceuticals Investments (Pty) Ltd	1 000	1 000
	3 551 680	3 551 680

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

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

		Group		Company			
Figures in Rand		2013	2012	2013	2012		
5. Investments in associates							
Name of company	Listed / Unlisted	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012	Fair value 2013	Fair value 2012
Old Priory Investments (Pty) Ltd	Unlisted	20,00 %	20,00 %	520 200	520 200	520 200	520 200
Red Coral Investments (Pty) Ltd	Unlisted	20,41 %	20,41 %	200	200	200	200
Cirebelle Innovative Beauty Wax (Pty) Ltd	Unlisted	22,00 %	22,00 %	-	220 000	-	167 152
Allegra Properties 3 (Pty) Ltd	Unlisted	50,00 %	50,00 %	5 244 501	5 980 486	5 980 486	5 980 486
				5 764 901	6 720 886	6 500 886	6 668 038

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

Fair value

The fair values, determined annually at 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 consists solely in dividend income. During the period under review no dividends were received but management is reasonably certain that dividends will be received by the company in future periods commencing in the following financial year.

Associates with different reporting dates

If the reporting date of the associate is not the same as company ends 30 September each year which is different from the year end of Inyanga Trading 214 (Pty) Ltd. The associate company has got the same reporting date as the company in which it holds an interest.

Restrictions relating to associates

The associate Inyanga Trading 214 (Pty) Ltd, is unable to declare any dividends until it has re-paid a long term loan to its financier, Nedbank Ltd.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2013	2012	2013	2012
6. Loans to (from) group companies				
Subsidiaries				
Amalgum Investments 35 (Pty) Ltd The shareholders have ceded, as security for the due and proper fulfillment by the company of all the terms and conditions of a preference share subscription agreement to be concluded between the company and the Industrial Development Corporation "IDC", all of their right, title and interest in and all amounts standing to the books of the company and to all amounts which may hereafter be credited to such shareholders' loans. The loans are interest free and have no fixed repayment terms.	-	-	(13 347 819)	10 491 799
Amalgum Investments 36 (Pty) Ltd The above loan is unsecured, interest free and has no fixed terms of repayment.	(5 700)	-	52 795 280	1 446 638
Ceppwawu Pharmaceuticals Investments Two (Pty) Ltd The above loan is unsecured, interest free and has no fixed terms of repayment.	-	-	(100)	(46 102 952)
Amalgum Investments 64 (Pty) Ltd The above loan is unsecured, interest free and has no fixed terms of repayment.	-	-	65 083	52 976
Inyanga Trading 214 (Pty) Ltd The above loan is unsecured, interest free and has no fixed terms of repayment.	-	-	737 296	701 445
Amalgum Investments 37 (Pty) Ltd The above loan is unsecured, interest free and has no fixed terms of repayment.	-	-	(120)	(14 671 601)
Ceppwawu Pharmaceuticals Investments (Pty) Ltd The above loan is unsecured, interest free and has no fixed terms of repayment.	-	-	(1 000)	(212 371 212)
	(5 700)	-	40 248 620	(260 452 907)

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group		Company	
	2013	2012	2013	2012

6. Loans to (from) group companies (continued)

Non-current assets	-	-	53 597 659	12 692 858
Non-current liabilities	-	-	(13 349 039)	(273 145 765)
Current liabilities	(5 700)	-	-	-
	(5 700)	-	40 248 620	(260 452 907)

Credit quality of loans to group companies

The credit quality of loans to group companies that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Historically this rating has been zero.

7. Loans to (from) shareholders

Ceppwawu Development Trust	34 488 598	983 468	34 488 598	983 468
The above loan is unsecured, interest free and has no fixed terms of repayment.				
Little Swift 214 (Pty) Ltd	(3 329 354)	(3 329 354)	-	-
Blue Nightingale 169 (Pty) Ltd	(3 317 963)	(3 317 963)	-	-
Business Ventures 670 (Pty) Ltd	(2 725 033)	(2 897 064)	-	-
	25 116 248	(8 560 913)	34 488 598	983 468

The shareholders of Amalgum Investments 35 (Pty) Ltd have ceded, as security for the due and proper fulfillment all the terms and conditions of a preference share subscription agreement to be concluded between the company and the Industrial Development Corporation ("IDC"), all of their right, title and interest in and all amounts standing to the credit of their shareholder's loans in the books and to all amounts which may hereafter be credited to such shareholders' loans. Then loans are interest free and have no fixed terms of repayment.

Non-current assets	34 488 598	983 468	34 488 598	983 468
Non-current liabilities	(9 372 350)	(9 544 381)	-	-
	25 116 248	(8 560 913)	34 488 598	983 468

8. Other financial assets

At fair value through profit or loss - designated

Aspen Pharmacare Holdings Ltd	326 503 757	225 364 546	326 503 757	-
Ceppwawu Investments holds 2, 074, 225 shares (2012 : 2, 074, 225) shares in Aspen at R 157,41 (2012 : 108,65) per share.				

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group		Company	
	2013	2012	2013	2012
8. Other financial assets (continued)				
Available-for-sale				
Aspen Pharmacare Holdings Ltd The ordinary shares consist of 3 560 724 ordinary shares acquired at an initial cost of R11 per share and 17 600 000 converted at R 123.27.	3 453 006 942	1 455 910 000	-	-
Transpaco Ltd 8, 280, 316 (2012 : 8, 280, 316) ordinary shares are held in Transpaco Ltd held by Amalgum Investments 36 (Pty) Ltd at R16.88 (2012 : R18.00) per share.	139 813 903	149 045 688	-	-
Aspen Preference Shares The preference shares comprise 17 600 000 variable rate, convertible, cumulative shares, yielding dividends at a rate of Prime x (1 - Corporate tax rate). The shares are to be redeemed after 6 years.	-	1 934 144 977	-	-
	3 592 820 845	3 539 100 665	-	-
Loans and receivables				
Letsema Investments (Pty) Ltd Contractual payments made in terms of their equity participation right.	45 378 903	45 378 903	45 378 903	45 378 903
Ceppwawu Union The above loan is unsecured, interest free and has no fixed terms of repayment.	2 445 574	2 445 574	2 445 574	2 445 574
Allegra Properties 3 (Pty) Ltd The above loan is unsecured, interest free and has no fixed terms of repayment.	145 627	80 461	145 627	80 461
	47 970 104	47 904 938	47 970 104	47 904 938
Total other financial assets	3 967 294 706	3 812 370 149	374 473 861	47 904 938
Non-current assets				
At fair value through profit or loss - designated	326 503 757	225 364 546	326 503 757	-
Available-for-sale	3 592 820 845	3 539 100 665	-	-
Loans and receivables	47 970 104	47 904 938	47 970 104	47 904 938
	3 967 294 706	3 812 370 149	374 473 861	47 904 938

Fair value information

Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2013	2012	2013	2012

8. Other financial assets (continued)

Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

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.

9. Deferred tax

Deferred tax liability

Accelerated capital allowances for tax purposes	-	(26 030 692)	-	-
Provision against equity	(484 913 213)	(404 133 685)	-	-
Revaluation, net of related depreciation	(18 774 309)	(15 510 687)	-	-
	(503 687 522)	(445 675 064)	-	-

Reconciliation of deferred tax asset (liability)

At beginning of the year	(445 675 064)	(314 128 750)	-	-
Originating temporary difference	(58 012 458)	(131 546 314)	-	-
	(503 687 522)	(445 675 064)	-	-

10. Trade and other receivables

Trade receivables	752 684	712 890	-	-
Other receivables	588 237	17 643 892	-	20 983
	1 340 921	18 356 782	-	20 983

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	201 648 528	260 074 667	187 292 295	232 906 675
Investment Account - Investec Private Bank	81 577	-	81 577	-
Other cash and cash equivalents	8 851 171	-	8 851 171	-
	210 581 276	260 074 667	196 225 043	232 906 675

12. Share capital

Authorised

1000 Ordinary shares of R1 each	1 000	1 000	1 000	1 000
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Issued

100 Ordinary shares of R1 each	100	100	100	100
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Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group		Company	
	2013	2012	2013	2012
13. Preference share liability				
Non-current liabilities	-	625 255 647	-	-
Current liabilities	-	37 395 750	-	-
	-	662 651 397	-	-

Convertible bond

13,4 Million variable rate, redeemable, cumulative preference shares with a par value of R0,01 each having the terms and conditions set out in Annexure A to the empowerment acquisition agreement, dated 16 March 2005.

17,6 million variable rate, redeemable, cumulative preference shares with a par value of R0,01 each having the terms and conditions set out in Annexure B to the empowerment acquisition agreement, dated 16 March 2005

Par value R 176 000.00 and a share premium of R 376,400,000.

14. Other financial liabilities

Held at amortised cost

Letsema Investments (Pty) Ltd 177 145 696 18 106 935 177 145 696 18 106 935
Contractual amounts payable in terms of their equity participation right.

Redeemable preference shares - 52 561 880 - -
Consists of two categories of preference shares as follows in Amalgum Investments 36 (Pty) Ltd:

4, 199, 791 variable rate redeemable cumulative A preference shares. The rights, privileges and conditions attaching to these shares are set out in Annexure A to the BEECo subscription agreement.

3, 312, 126 variable rate redeemable cumulative B preference shares. The rights, privileges and conditions attaching to these shares are set out in Annexure B to the BEECo subscription agreement.

	177 145 696	70 668 815	177 145 696	18 106 935
Non-current liabilities				
At amortised cost	177 145 696	18 106 935	177 145 696	18 106 935
Current liabilities				
At amortised cost	-	52 561 880	-	-
	177 145 696	70 668 815	177 145 696	18 106 935

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group		Company	
	2013	2012	2013	2012
15. Trade and other payables				
Trade payables	4 571 468	3 220 443	4 571 471	3 203 474
Other accrued expenses	2 953 220	1 600 000	2 953 220	1 600 000
Accrued expenses	191 890	201 664	-	-
Letsema Investments (Pty) Ltd	2 800 000	2 800 000	2 800 000	2 800 000
Accrued audit fees	150 822	124 100	115 000	87 100
	10 667 400	7 946 207	10 439 691	7 690 574
16. Investment revenue				
Dividend revenue				
Dividends	9 074 582	-	617 654 680	-
Listed financial assets - Local	49 961 209	46 627 441	-	-
	59 035 791	46 627 441	617 654 680	-
Interest revenue				
Financial institutions	16 952 374	13 589 897	9 780 032	12 547 113
SARS	-	15 494	-	-
	16 952 374	13 605 391	9 780 032	12 547 113
	75 988 165	60 232 832	627 434 712	12 547 113
17. Fair value adjustments				
Other financial assets	101 139 211	60 463 659	-	-
18. Finance costs				
Available-for-sale debt instruments	1 353 659	4 735 549	-	-
Bank	2 042	139 578	2 042	139 578
Interest paid	304 116 735	54 239 856	-	-
	305 472 436	59 114 983	2 042	139 578
19. Taxation				
Major components of the tax expense				
Current				
Local income tax - current period	1 655 012	2 526 822	1 655 012	2 526 822
Local income tax - recognised in current tax for prior periods	-	28 839	-	-
Current tax	189 550 005	190 065	-	-
	191 205 017	2 745 726	1 655 012	2 526 822
Deferred				
Originating and reversing temporary differences	(26 030 692)	8 464 912	-	-
	165 174 325	11 210 638	1 655 012	2 526 822

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2013	2012	2013	2012
20. Auditors' remuneration				
Fees	257 119	221 450	87 839	85 500
Audit fees not accrued for in prior years	-	90 180	-	85 500
Tax and secretarial services	-	15 674	-	15 674
	257 119	327 304	87 839	186 674

21. Other comprehensive income

Components of other comprehensive income - Group - 2013

	Gross	Tax	Net
Available-for-sale financial assets adjustments			
Gains and losses arising during the year	162 083 690	(84 043 151)	78 040 539

Components of other comprehensive income - Group - 2012

	Gross	Tax	Net
Available-for-sale financial assets adjustments			
Gains and losses arising during the year	407 683 148	(57 075 641)	350 607 507

22. Cash (used in) generated from operations

Profit before taxation	901 893 735	56 740 538	623 458 065	7 950 572
Adjustments for:				
Profit on sale of assets	(1 051 143 174)	-	-	-
Income from equity accounted investments	903 137	1 073 793	903 137	1 073 793
Dividends received	(59 035 791)	(46 627 441)	(617 654 680)	-
Interest received	(16 952 374)	(13 605 391)	(9 780 032)	(12 547 113)
Finance costs	305 472 436	59 114 983	2 042	139 578
Fair value adjustments	(101 139 211)	(60 463 659)	-	-
Other non-cash items	(130 341 910)	27 778 463	-	-
Changes in working capital:				
Trade and other receivables	17 015 861	1 969 238	20 983	(20 983)
Trade and other payables	2 721 193	2 643 529	2 749 117	2 942 227
	(130 606 098)	28 624 053	(301 368)	(461 926)

23. Tax paid

Balance at beginning of the year	709 195	(6 498 017)	(482 631)	(4 026 945)
Current tax for the year recognised in profit or loss	(191 205 017)	(2 745 726)	(1 655 012)	(2 526 822)
Balance at end of the year	(866 447)	(709 195)	(901 874)	482 631
	(191 362 269)	(9 952 938)	(3 039 517)	(6 071 136)

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2013	2012	2013	2012

24. Related parties

Relationships

Holding company
Subsidiaries

Ceppwawu Development Trust
Amalgum Investments 35 (Pty) Ltd
Amalgum Investments 36 (Pty) Ltd
Amalgum Investments 37 (Pty) Ltd
Amalgum Investments 64 (Pty) Ltd
Ceppwawu Pharmaceuticals Investment (Pty) Ltd
Ceppwawu Pharmaceuticals Investment Two (Pty) Ltd
Inyanga Trading 214 (Pty) Ltd
Allegra Properties 3 (Pty) Ltd
Cirebelle Innovative Beauty Wax Solutions (Pty) Ltd
R.P. Tsotetsi
I.O. Shongwe
M.Nxumalo
J.Mabena
S.Mofokeng

Associates

Members of key management

Related party balances

Loan accounts - Owing (to) by related parties

Amalgum Investments 35 (Pty) Ltd	-	-	(13 347 306)	10 491 799
Amalgum Investments 36 (Pty) Ltd	-	-	52 795 405	1 446 638
Amalgum Investments 37 (Pty) Ltd	-	-	(120)	(14 671 601)
Amalgum Investments 64 (Pty) Ltd	-	-	65 083	52 976
Ceppwawu Pharmaceuticals Investments (Pty) Ltd	-	-	(1 000)	(212 371 212)
Ceppwawu Pharmaceuticals Investments Two (Pty) Ltd	-	-	(100)	(46 102 952)
Inyanga Trading 214 (Pty) Ltd	-	-	737 296	701 445
Allegra Properties 3 (Pty) Ltd	-	-	145 627	80 461

25. 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 6, 7, 13 & 14 cash and cash equivalents disclosed in note 11, 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 activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

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.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2013	2012	2013	2012

25. Risk management (continued)

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. Borrowings issued at fixed rates expose the group to fair value 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.

26. Commitments and guarantees

Pledges of shares

The shareholders of Amalgum Investments 35 (Pty) Ltd have ceded and pledged to deliver to the IDC 999 ordinary shares held in Imithi Investments (Pty) Limited subject to clauses 1 and 2 of the "Pledge of shares" agreement, signed 16 March 2005. The pledge shall lapse upon the shareholders extinguishing its total indebtedness to the IDC in respect of the said agreement, and thereupon the shareholders shall be entitled to the return of the shares hereby pledged and the IDC shall have no further claim against the shareholders with regard to the said agreement.

Guarantees

The shareholders of Amalgum Investments 35 (Pty) Ltd have irrevocably guaranteed and undertaken as a principal and independent obligation in favour of the IDC that Imithi Investments (Proprietary) Limited ("the debtor") will fully, properly and punctually perform all of its obligations in terms of the Acquisition Agreement, whereof the IDC shall subscribe for 13.4 million redeemable, cumulative A preference shares and 17.6 million redeemable, cumulative B preference shares. The shareholders hereby irrevocably and unconditionally undertaken to perform on behalf of the debtor such obligations and indemnify and hold IDC harmless against any losses, damage, costs, expenses, or disbursements of whatsoever nature which the IDC may suffer as a result of such failure, refusal and/or negligence.

27. Contingent liability

The company is liable to pay Letsema Investments (Pty) Ltd a portion of the net realisable value gained in the group generated through Letsema's management of the various special purpose vehicles which is based on the management agreements entered into between the Ceppwawu Development Trust and Letsema Investments (Pty) Ltd.

This amount is payable when a dividend is declared by any of the subsidiaries in the group to Ceppwawu Investments (Pty) Ltd. This value is based on 27.5% of the total dividend paid by the subsidiaries to its Holding company.

The amounts reflected below indicate the maximum amount payable, which have not been accrued for, by the Ceppwawu to Letsema calculated on 27.5% of the net equity of that subsidiary.

Ceppwawu Investments (Pty) Ltd

(Registration number 1999/022473/07)

Consolidated Annual Financial Statements for the year ended 28 February 2013

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2013	2012	2013	2012

27. Contingent liability (continued)

Ceppwawu Pharmaceuticals Investments Two (Pty) Ltd	-	71 313 433
Amalgum Investments 35 (Pty) Ltd	430 162 756	331 699 264
Amalgum Investments 36 (Pty) Ltd	23 328 808	21 936 913
Inyanga Trading 214 (Pty) Ltd	141 336	140 584
Allegra Properties 3 (Pty) Ltd	1 217 423	1 644 620
Cirebelle Innovative Beauty Wax Solutions (Pty) Ltd	55 010	480 550
	454 905 333	427 215 364