Nexia SAB&T
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CEPPWAWU INVESTMENTS PROPRIETARY LIMITED
(Registration number 1999/022473/07)
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016

CEPPWAWU Investments Proprietary Limited

(Registration number 1999/022473/07)
Consolidated Annual Financial Statements for the year ended 29 February 2016

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
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

(Registration number 1999/022473/07)
Consolidated Annual Financial Statements for the year ended 29 February 2016

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

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CEPPWAWU Investments Proprietary Limited

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Company Secretary's Certification

1. **Declaration by the Company secretary in respect of Section 88(2)(e) of the Companies Act**

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a private company in terms of the Companies Act and that all such returns are true, correct and up to date.

JR Hollis & Co

J.R Hollis and Company
Company Secretary

Manfred Getz

17 August 2017

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.

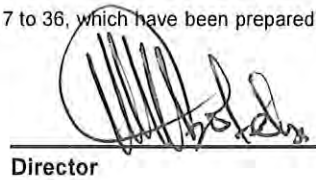
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal 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 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 pages 5 to 6.

The consolidated annual financial statements set out on pages 7 to 36, which have been prepared on the going concern basis, were approved by the board of directors and were signed on their behalf by:

Director



Director

Nexia SAB&T
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Independent Auditors' Report

To the Shareholders of Ceppwawu Investments (Pty) Limited

Report on the Audit of the Consolidated and separate Annual Financial Statements

Opinion

We have audited the consolidated and separate annual financial statements of Ceppwawu Investments Proprietary Limited and its subsidiaries (the "group"), set out on pages 10 to 37, which comprise the consolidated statement of financial position as at 29 February 2016 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated and separate annual financial statements, including a summary significant accounting policies.

In our opinion, the accompanying consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate annual financial position of the group as at 29 February 2016, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards 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 Financial Statement* section of our report. We are independent of the entity in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). 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 comprises the Directors' Report, as required by the Companies Act of South Africa and the supplementary information. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual 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 annual 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 annual 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.

Incorporating: indvebo

Directors: B Adam (CEO), A Aboobaker, Z Abrams, C Chigora, A Darmalingam, T de Kock, J Engelbrecht, Y Hassen, N Hassim, S Ismail, B Jhetam, H Kajie, S Kleovoulou, S Makamure, P Mawire, T Mayet, N Medupe, K Rama, Y Soma, Z Sonpra, N Soopal, M F Sulaman, I Theron, H van der Merwe, M Wessels

Offices in: Bloemfontein, Cape Town, Centurion, Durban, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
SAB&T Chartered Accountants Incorporated is an independent member firm of Nexia International
Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297

Responsibilities of the Directors for the Consolidated and separate Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Consolidated and separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual 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 annual 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 annual 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 company'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 company'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 annual 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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
Per: S. Kleovoulou
Director
Registered Auditor
Date: 17 August 2017

Nexia SAB&T

Directors' Report

The directors submit their report for the year ended 29 February 2016.

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. 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.

3. Events after the reporting period

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4. Authorised and issued share capital

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

5. Restatement of corresponding figures

As disclosed in note 25 to the consolidated annual financial statements, the corresponding figures for prior balance sheet date have been restated. The error relates to the correction in respect of the transactions concluded by Ceppwawu Investments Proprietary Limited which was incorrectly recorded as a reserve. The management agreement contracted with Letsema Investments Proprietary Limited states that Letsema's equity stake in all transactions shall be 27.5% of all the benefits received by Ceppwawu Investments Proprietary Limited. The error has been corrected retrospectively and the comparative figures have been appropriately restated.

6. Non-current assets

There were no material changes in the nature of the non-current assets of the group during the year.

7. Interest in subsidiaries

Name of subsidiary	Net income / (loss) after tax
Amalgum Investments 35 Proprietary Limited	3,867,569,719
Amalgum Investments 36 Proprietary Limited	111,145,068
Amalgum Investments 37 Proprietary Limited	-
Amalgum Investments 64 Proprietary Limited	(11,354)
Ceppwawu Pharmaceuticals Investments Proprietary Limited	-
Ceppwawu Pharmaceuticals Investments Two Proprietary Limited	-
Inyanga Trading 214 Proprietary Limited	23,415

The subsidiaries that have a zero net income/ (loss) after tax were dormant in the current year.

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

8. Dividends Paid

No dividends were declared or paid in the current year.

9. Directors

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

Directors' Report

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

10. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

11. Secretary

The secretary of the company is J.R Hollis

Business address

1 Sixth Avenue
Melville
2092

12. Auditors

Nexia SAB&T will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

13. Liquidity and sovency

The directors have performed the required liquidity and solvency tests required by the Companines 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

(Registration number 1999/022473/07)
Consolidated Annual Financial Statements for the year ended 29 February 2016

Consolidated Statement of Financial Position as at 29 February 2016

		Group			Company		
Figures in Rand	Note(s)	2016	2015	2014	2016	2015	2014
Assets							
Non-Current Assets							
Goodwill	3	-	104,513	104,513	-	-	-
Investments in subsidiaries	4	-	-	-	3,551,680	3,551,680	3,551,680
Investments in associates	5	4,174,848	3,051,708	8,558,922	3,654,448	2,531,308	8,038,522
Loans to related parties	6	-	-	-	1,064,300	53,691,420	53,628,225
Loans to shareholders	7	988,598	988,598	988,598	988,598	988,598	988,598
Other financial assets	8	2,986,152,557	9,780,673,591	6,488,654,909	2,986,152,557	860,974,013	568,902,340
		2,991,316,003	**9,784,818,410**	**6,498,306,942**	**2,995,411,583**	**921,737,019**	**635,109,365**
Current Assets							
Trade and other receivables	10	919,406	854,018	808,560	-	-	-
Current tax receivable	14	2,987	3,276	297,048	-	-	297,048
Cash and cash equivalents	11	285,728,563	250,365,959	233,149,805	97,305,015	228,142,198	219,365,426
		286,650,956	**251,223,253**	**234,255,413**	**97,305,015**	**228,142,198**	**219,662,474**
Total Assets		**3,277,966,959**	**10,036,041,663**	**6,732,562,355**	**3,092,716,598**	**1,149,879,217**	**854,771,839**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent							
Share capital	12	100	100	100	100	100	100
Reserves		2,518,785,643	3,590,002,096	2,314,860,004	(466,047,756)	-	-
Retained income		80,439,210	1,107,082,440	840,682,972	3,044,606,501	790,742,183	552,873,273
		2,599,224,953	4,697,084,636	3,155,543,076	2,578,558,845	790,742,283	552,873,373
Non-controlling interest		-	3,439,006,769	2,280,870,671	-	-	-
		2,599,224,953	**8,136,091,405**	**5,436,413,747**	**2,578,558,845**	**790,742,283**	**552,873,373**
Liabilities							
Non-Current Liabilities							
Loans from related parties	6	-	-	-	206,320	55,448,668	35,198,402
Loans from shareholders	7	-	-	9,372,350	-	-	-
Deferred tax	9	489,292,010	1,739,413,411	1,118,068,637	489,292,010	152,924,290	98,393,743
Other liabilities		528,218	528,218	528,218	528,218	528,218	528,218
		489,820,228	**1,739,941,629**	**1,127,969,205**	**490,026,548**	**208,901,176**	**134,120,363**
Current Liabilities							
Trade and other payables	15	6,756,836	9,576,708	13,666,230	6,550,256	9,329,830	13,427,156
Loans from related parties	6	-	-	5,700	-	-	-
Loans from shareholders	7	-	9,372,350	-	-	-	-
Other financial liabilities	13	-	140,566,732	154,350,947	-	140,566,732	154,350,947
Current tax payable	14	182,164,942	492,839	156,526	17,580,949	339,196	-
		188,921,778	**160,008,629**	**168,179,403**	**24,131,205**	**150,235,758**	**167,778,103**
Total Liabilities		**678,742,006**	**1,899,950,258**	**1,296,148,608**	**514,157,753**	**359,136,934**	**301,898,466**
Total Equity and Liabilities		**3,277,966,959**	**10,036,041,663**	**6,732,562,355**	**3,092,716,598**	**1,149,879,217**	**854,771,839**

CEPPWAWU Investments Proprietary Limited

(Registration number 1999/022473/07)
Consolidated Annual Financial Statements for the year ended 29 February 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Rand	Note(s)	2016	2015	2016	2015
Fair value adjustments	17	(232,248,852)	292,050,880	(232,248,852)	292,050,880
Operating expenses		(23,455,851)	(4,187,923)	(6,179,556)	(3,209,077)
Operating (loss) profit		**(255,704,703)**	**287,862,957**	**(238,428,408)**	**288,841,803**
Investment revenue	16	63,834,587	64,361,847	4,076,324,768	15,718,987
Finance costs	18	(6,810)	(3,797)	-	-
Income from equity accounted investments		1,123,140	(5,507,214)	1,123,140	(5,507,214)
Realisation of fair value on the sale of shares		2,741,698,676	-	15,159,619	-
Profit before taxation		**2,550,944,890**	**346,713,793**	**3,854,179,119**	**299,053,576**
Taxation	19	284,721,191	(57,156,597)	(637,230,705)	(56,861,945)
Profit for the year		**2,835,666,081**	**289,557,196**	**3,216,948,414**	**242,191,631**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Gains/ (losses) on revaluation of available - for sale investments		1,007,033,960	2,999,947,009	(572,881,815)	-
Income tax relating to items that may be reclassified		355,885,556	(566,814,227)	106,834,059	-
Total items that may be reclassified to profit or loss		**1,362,919,516**	**2,433,132,782**	**(466,047,756)**	**-**
Other comprehensive income for the year net of taxation	21	**1,362,919,516**	**2,433,132,782**	**(466,047,756)**	**-**
Total comprehensive income for the year		**4,198,585,597**	**2,722,689,978**	**2,750,900,658**	**242,191,631**
Total comprehensive income attributable to:					
Owners of the parent		1,625,258,543	1,545,864,281	2,750,900,658	242,191,631
Non-controlling interest		2,573,327,054	1,176,825,697	-	-
		4,198,585,597	**2,722,689,978**	**2,750,900,658**	**242,191,631**

CEPPWAWU Investments Proprietary Limited

(Registration number 1999/022473/07)
Consolidated Annual Financial Statements for the year ended 29 February 2016

Consolidated Statement of Changes in Equity

Figures in Rand	Share capital	Fair value adjustment assets-available-for-sale reserve	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Group						
Balance at 01 March 2014	**100**	**2,314,860,004**	**840,682,972**	**3,155,543,076**	**2,280,870,671**	**5,436,413,747**
Profit for the year	-	-	270,722,189	270,722,189	18,835,007	289,557,196
Other comprehensive income	-	1,275,142,092	-	1,275,142,092	1,157,990,690	2,433,132,782
Total comprehensive income for the year	**-**	**1,275,142,092**	**270,722,189**	**1,545,864,281**	**1,176,825,697**	**2,722,689,978**
Dividends	-	-	-	-	(18,689,599)	(18,689,599)
Equity participation payments (Refer to note 26)	-	-	(4,322,721)	(4,322,721)	-	(4,322,721)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(4,322,721)**	**(4,322,721)**	**(18,689,599)**	**(23,012,320)**
Balance at 01 March 2015	**100**	**3,590,002,096**	**1,107,082,440**	**4,697,084,636**	**3,439,006,769**	**8,136,091,405**
Loss for the year	-	-	(288,478,565)	(288,478,565)	3,124,144,646	2,835,666,081
Other comprehensive income	-	1,913,737,108	-	1,913,737,108	(550,817,592)	1,362,919,516
Total comprehensive Loss for the year	**-**	**1,913,737,108**	**(288,478,565)**	**1,625,258,543**	**2,573,327,054**	**4,198,585,597**
Purchase of own / treasury shares	-	-	(3,061,011,902)	(3,061,011,902)	-	(3,061,011,902)
Transfer between reserves	-	(2,984,953,561)	(2,726,402,490)	(5,711,356,051)	-	(5,711,356,051)
Transfer of non-controlling interest to retained income due to control gained	-	-	6,012,333,823	6,012,333,823	(6,012,333,823)	-
Equity participation payments (Refer to note 26)	-	-	(963,084,096)	(963,084,096)	-	(963,084,096)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(2,984,953,561)**	**(738,164,665)**	**(3,723,118,226)**	**(6,012,333,823)**	**(9,735,452,049)**
Balance at 29 February 2016	**100**	**2,518,785,643**	**80,439,210**	**2,599,224,953**	**-**	**2,599,224,953**
Note(s)	12	21				

CEPPWAWU Investments Proprietary Limited

(Registration number 1999/022473/07)
Consolidated Annual Financial Statements for the year ended 29 February 2016

Consolidated Statement of Changes in Equity

Figures in Rand	Share capital	Fair value adjustment assets-available-for-sale reserve	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Company						
Balance at 01 March 2014	**100**	**-**	**552,873,273**	**552,873,373**	**-**	**552,873,373**
Profit for the year	-	-	242,191,631	242,191,631	-	242,191,631
Total comprehensive income for the year	**-**	**-**	**242,191,631**	**242,191,631**	**-**	**242,191,631**
Equity participation payments (Refer to note 26)	-	-	(4,322,721)	(4,322,721)	-	(4,322,721)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(4,322,721)**	**(4,322,721)**	**-**	**(4,322,721)**
Balance at 01 March 2015	**100**	**-**	**790,742,183**	**790,742,283**	**-**	**790,742,283**
Profit for the year	-	-	3,216,948,414	3,216,948,414	-	3,216,948,414
Other comprehensive income	-	(466,047,756)	-	(466,047,756)	-	(466,047,756)
Total comprehensive income for the year	**-**	**(466,047,756)**	**3,216,948,414**	**2,750,900,658**	**-**	**2,750,900,658**
Equity participation payments (Refer to note 26)	-	-	(963,084,096)	(963,084,096)	-	(963,084,096)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(963,084,096)**	**(963,084,096)**	**-**	**(963,084,096)**
Balance at 29 February 2016	**100**	**(466,047,756)**	**3,044,606,501**	**2,578,558,845**	**-**	**2,578,558,845**
Note(s)	12	21				

CEPPWAWU Investments Proprietary Limited

(Registration number 1999/022473/07)
Consolidated Annual Financial Statements for the year ended 29 February 2016

Consolidated Statement of Cash Flows

		Group		Company	
Figures in Rand	Note(s)	2016	2015	2016	2015
Cash flows from operating activities					
Cash generated / (used) in operations	22	(26,236,595)	9,784,033	(8,959,127)	10,800,533
Interest income		34,377,180	12,685,696	14,206,466	11,518,898
Dividends received		29,457,406	51,676,151	4,062,118,302	4,200,089
Finance costs		(6,810)	(3,797)	-	-
Tax paid	23	(675,351,007)	(1,995,965)	(176,787,172)	(1,695,154)
Net cash from operating activities		**(637,759,826)**	**72,146,118**	**3,890,578,469**	**24,824,366**
Cash flows from investing activities					
Movement in related party loans		-	(5,700)	(2,615,229)	20,187,071
Net movement in other financial assets		875,174,891	(20,794)	(4,033,960,038)	(20,794)
Realisation of fair value on the sale of shares		(192,680,112)	(36,802,945)	15,159,615	(18,106,935)
Net cash from / (used in) investing activities		**682,494,780**	**(36,829,439)**	**(4,021,415,652)**	**2,059,342**
Cash flows from financing activities					
Repayment of shareholders loan		(9,372,350)	-	-	-
Equity participation stake	25	-	(18,106,936)	-	(18,106,936)
Net cash used in financing activities		**(9,372,350)**	**(18,106,936)**	**-**	**(18,106,936)**
Total cash movement for the year		**35,362,604**	**17,209,743**	**(130,837,183)**	**8,776,772**
Cash at the beginning of the year		250,365,959	233,156,216	228,142,198	219,365,426
Total cash at end of the year	11	**285,728,563**	**250,365,959**	**97,305,015**	**228,142,198**

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The consolidated annual financial statements have been prepared on the historical cost basis, except for 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.

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.

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.

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.

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 5 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 5.

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.

Accounting Policies

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.

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.

1.5 Financial instruments (continued)

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.

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.

Accounting Policies

1.5 Financial instruments (continued)

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 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.

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.

Accounting Policies

1.6 Tax (continued)

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.

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.

1.7 Impairment of non - financial assets (continued)

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.

Contingent assets and contingent liabilities are not recognised. .

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 Consolidated statement of cash flows

The statement of cash flows is prepared on the direct method.

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

IFRS 9 Financial instruments

A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition:

- IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.
- The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.
- IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group expects to adopt the amendment for the first time in the 2019 consolidated annual financial statements.

It is unlikely that the amendment will have a material impact on the company's consolidated annual financial statements.

IFRS 10 Consolidated Financial Statements

Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

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

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

It is unlikely that the amendment will have a material impact on the company's consolidated annual financial statements.

IFRS 12 Disclosure of Interests in Other Entities

Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

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

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

It is unlikely that the amendment will have a material impact on the company's consolidated annual financial statements.

IAS 7 Statement of Cash Flows

Disclosure Initiative: Amendments requiring entities to disclose information about changes in their financing liabilities. The additional disclosures will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).

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

The group expects to adopt the amendment for the first time in the 2018 consolidated annual financial statements.

It is unlikely that the amendment will have a material impact on the company's consolidated annual financial statements.

Notes to the Consolidated Annual Financial Statements

2. New Standards and Interpretations (continued)

IAS 12 Income Taxes

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12): Narrow-scope amendment to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.

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

The group expects to adopt the amendment for the first time in the 2018 consolidated annual financial statements.

It is unlikely that the amendment will have a material impact on the company's consolidated annual financial statements.

Notes to the Consolidated Annual Financial Statements

	Group			Company		
Figures in Rand	2016	2015	2014	2016	2015	2014

3. Goodwill

Group	2016			2015		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	-	-	-	104,513	-	104,513

Group	2014		
	Cost	Accumulated impairment	Carrying value
Goodwill	104,513	-	104,513

Reconciliation of goodwill - Group - 2016

	Opening balance	Realisation of goodwill	Total
Amalgum Investments 36 Proprietary Limited	104,513	(104,513)	-

Reconciliation of goodwill - Group - 2015

	Opening balance	Total
Amalgum Investments 36 Proprietary Limited	104,513	104,513

4. Investments in subsidiaries

Name of company	% holding 2016	% holding 2015	% holding 2014
Amalgum Investments 35 Proprietary Limited	100.00 %	100.00 %	100.00 %
Amalgum Investments 36 Proprietary Limited	100.00 %	100.00 %	100.00 %
Amalgum Investments 37 Proprietary Limited	100.00 %	100.00 %	100.00 %
Amalgum Investments 64 Proprietary Limited	100.00 %	100.00 %	100.00 %
Ceppwawu Pharmaceuticals Investments Proprietary Limited	100.00 %	100.00 %	100.00 %
Ceppwawu Pharmaceuticals Two Proprietary Limited	100.00 %	100.00 %	100.00 %
Inyanga Trading 214 Proprietary Limited	100.00 %	100.00 %	100.00 %

Name of company	Carrying amount 2016	Carrying amount 2015	Carrying amount 2014
Amalgum Investments 35 Proprietary Limited	120	120	120
Amalgum Investments 36 Proprietary Limited	3,550,120	3,550,120	3,550,120
Amalgum Investments 37 Proprietary Limited	120	120	120
Amalgum Investments 64 Proprietary Limited	120	120	120
Ceppwawu Pharmaceuticals Investments Proprietary Limited	1,000	1,000	1,000
Ceppwawu Pharmaceuticals Two Proprietary Limited	100	100	100
Inyanga Trading 214 Proprietary Limited	100	100	100
	3,551,680	3,551,680	3,551,680

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

Figures in Rand

5. Investments in associates

Name of company	Listed / Unlisted	% holding 2016	% holding 2015	% holding 2014	Carrying amount 2016	Carrying amount 2015	Carrying amount 2014	Fair value 2016	Fair value 2015	Fair value 2014
Old Priory Investments Proprietary Limited	Unlisted	20.00 %	20.00 %	20.00 %	520,200	520,200	520,200	-	-	-
Red Coral Investments Proprietary Limited	Unlisted	20.41 %	20.41 %	20.41 %	200	200	200	-	-	-
Cirebelle Proprietary Limited	Unlisted	22.00 %	22.00 %	22.00 %	2,748,795	2,338,066	2,153,183	2,748,795	2,338,066	2,153,183
Allegra Properties 3 Proprietary Limited	Unlisted	50.00 %	50.00 %	50.00 %	905,653	193,242	5,885,339	905,653	193,242	5,885,339
					4,174,848	3,051,708	8,558,922	3,654,448	2,531,308	8,038,522

Company	Listed / Unlisted	% holding 2016	% holding 2015	Carrying amount 2016	Carrying amount 2015
Cirebelle Proprietary Limited	Unlisted	22.00 %	22.00 %	2,748,795	2,338,066
Allegra Properties 3 Proprietary Limited	Unlisted	50.00 %	50.00 %	905,653	193,242
				3,654,448	**2,531,308**

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

The reporting date of the associate ends 30 September each year which is different from the year end of Old Priory Investments Proprietary Limited. The associate company has got the same reporting date as the company in which it holds an interest.

Notes to the Consolidated Annual Financial Statements

	Group			Company		
Figures in Rand	2016	2015	2014	2016	2015	2014

6. Loans to / (from) related parties

Subsidiaries

Amalgum Investments 36 Proprietary Limited	-	-	(5,700)	-	52,795,280	52,795,280
CEPPWAWU Pharmaceuticals Investments Two Proprietary Limited	-	-	-	(100)	(100)	(100)
Amalgum Investments 64 Proprietary Limited	-	-	-	101,574	88,988	72,897
Inyanga Trading 214 Proprietary Limited	-	-	-	919,406	807,152	760,048
Amalgum Investments 37 Proprietary Limited	-	-	-	(120)	(120)	(120)
CEPPWAWU Pharmaceuticals Investments Proprietary Limited	-	-	-	(1,000)	(1,000)	(1,000)
Amalgum Investments 35 Proprietary Limited	-	-	-	(205,100)	(55,447,448)	(35,197,182)
Imithi investments Proprietary Limited	-	-	-	43,320	-	-
	-	**-**	**(5,700)**	**857,980**	**(1,757,248)**	**18,429,823**

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

Non-current assets	-	-	-	1,064,300	53,691,420	53,628,225
Non-current liabilities	-	-	-	(206,320)	(55,448,668)	(35,198,402)
Current liabilities	-	-	(5,700)	-	-	-
	-	**-**	**(5,700)**	**857,980**	**(1,757,248)**	**18,429,823**

Credit quality of loans to / from related parties

The credit quality of loans to and from related parties that are neither past due nor impaired can be assessed by reference to repayment history to/from related parties because the related parties has not defaulted on any contractual obligations in the prior periods and the related parties have not been blacklisted, a credit rating of high has been ascribed to the related parties.

Fair value of loans to and from related parties

The carrying values of loans to and from related parties approximates their fair values.

7. Loans to / (from) shareholders

CEPPWAWU Development Trust	988,598	988,598	988,598	988,598	988,598	988,598
Little Swift 214 Proprietary Limited	-	(3,329,354)	(3,329,354)	-	-	-
Blue Nightingale 169 Proprietary Limited	-	(2,725,033)	(2,725,033)	-	-	-
Business Ventures 670 Proprietary Limited	-	(3,317,963)	(3,317,963)	-	-	-
	988,598	**(8,383,752)**	**(8,383,752)**	**988,598**	**988,598**	**988,598**

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

Non-current assets	988,598	988,598	988,598	988,598	988,598	988,598
Non-current liabilities	-	-	(9,372,350)	-	-	-
Current liabilities	-	(9,372,350)	-	-	-	-
	988,598	**(8,383,752)**	**(8,383,752)**	**988,598**	**988,598**	**988,598**

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group			Company		
	2016	2015	2014	2016	2015	2014
8. 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 (2015 : 2, 074, 225) at a shar e price of R281.19 (2015: R418.30)	422,857,177	858,314,305	566,263,425	422,857,177	858,314,305	566,263,425
Available-for-sale						
Aspen Pharmacare Holdings Limited CEPPWAWU Investments Proprietary Limited holds 8,549,555 shares in aspen at R 281.19 In prior year Imithi Investments Proprietary Limited holds 3 560 724 ordinary shares in Aspen Pharmacare Holdings. 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.	2,404,049,370	8,756,307,591	5,776,877,652	2,404,049,370	-	-
Transpaco Limited CEPPWAWU Investments Proprietary Limited holds 6,661,225 (2015: 8,273,012) shares in Transpaco Limited at R 23.50 (2015: R 19.75)	156,538,788	163,391,987	142,874,917	156,538,788	-	-
	2,560,588,158	**8,919,699,578**	**5,919,752,569**	**2,560,588,158**	**-**	**-**
Loans and receivables						
Letsema Investments Proprietary Limited Contractual payments made in terms of their equity participation right.	16,118	-	-	16,118	-	-
CEPPWAWU 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	2,445,574	2,445,574
Allegra Properties 3 Proprietary Limited The above loan is unsecured interest free and has no fixed terms of repayment.	245,530	214,134	193,341	245,530	214,134	193,341
	2,707,222	**2,659,708**	**2,638,915**	**2,707,222**	**2,659,708**	**2,638,915**
Total other financial assets	**2,986,152,557**	**9,780,673,591**	**6,488,654,909**	**2,986,152,557**	**860,974,013**	**568,902,340**
Non-current assets						
Designated as at fair value through profit or loss (fair value through income)	422,857,177	858,314,305	566,263,425	422,857,177	858,314,305	566,263,425
Available-for-sale	2,560,588,158	8,919,699,578	5,919,752,569	2,560,588,158	-	-
Loans and receivables	2,707,222	2,659,708	2,638,915	2,707,222	2,659,708	2,638,915
	2,986,152,557	**9,780,673,591**	**6,488,654,909**	**2,986,152,557**	**860,974,013**	**568,902,340**

	Group			Company		
Figures in Rand	2016	2015	2014	2016	2015	2014

8. Other financial assets (continued)

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.

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

The group used the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

The fair values of listed or quoted investments are based on the quoted market price (Level 1) at reporting period date.

Fair values are determined annually at balance sheet date.

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.

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group			Company		
	2016	2015	2014	2016	2015	2014
9. Deferred tax						
Deferred tax liability						
Investments at fair value through profit and loss	(489,292,010)	(152,924,290)	(98,393,743)	(489,292,010)	(152,924,290)	(98,393,743)
Available-for-sale investments	-	(1,586,489,121)	(1,019,674,894)	-	-	-
	(489,292,010)	**(1,739,413,411)**	**(1,118,068,637)**	**(489,292,010)**	**(152,924,290)**	**(98,393,743)**
Reconciliation of deferred tax liability						
At beginning of the year	(1,739,413,411)	(1,118,068,637)	(639,350,291)	(152,924,290)	(98,393,743)	(53,596,481)
Temporary difference on revaluation of available-for-sale investments	-	(566,814,227)	(433,355,410)	-	-	-
Temporary difference on investment held at fair value through profit and loss	1,250,121,401	(54,530,547)	(44,797,261)	(336,367,720)	(54,530,547)	(44,797,262)
Temporary difference on financial assets through equity	-	-	(565,675)	-	-	-
	(489,292,010)	**(1,739,413,411)**	**(1,118,068,637)**	**(489,292,010)**	**(152,924,290)**	**(98,393,743)**

Notes to the Consolidated Annual Financial Statements

	Group			Company		
Figures in Rand	2016	2015	2014	2016	2015	2014

10. Trade and other receivables

Trade receivables	919,406	854,018	808,560	-	-	-

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	285,728,563	250,365,959	233,149,805	97,305,015	228,142,198	219,365,426

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. None of the financial institutions with which bank balances are held defaulted in prior periods and as a result a credit rating of high are ascribed to the financial institutions. The group's maximum exposure to credit risk as a result of the bank balances held is limited to the carrying value of these balances as detailed above. All bank balances are held with one banking institution increasing the related concentration risk. However, to mitigate the risk of loss, the group only transacts with highly reputable financial institutions.

12. Share capital

Authorised						
1000 Ordinary shares of R1 each	1,000	1,000	1,000	1,000	1,000	1,000
Issued						
100 Ordinary shares of R1 each	100	100	100	100	100	100

13. Other financial liabilities

Held at amortised cost						
Letsema Investments Proprietary Limited Amount payable in terms of their equity participation right.	-	140,566,732	154,350,947	-	140,566,732	154,350,947
Current liabilities						
At amortised cost	-	140,566,732	154,350,947	-	140,566,732	154,350,947

14. Current tax receivable/(payable)

Current tax receivable	2,987	3,276	297,048	-	-	297,048
Current tax payable	182,164,942	492,839	156,526	17,580,949	339,196	-

15. Trade and other payables

Trade payables	264,470	262,970	5,963,870	239,469	239,469	5,939,469
Other payables	165,000	144,574	121,900	165,000	144,574	121,900
Accrued expenses	6,155,287	6,156,520	4,556,135	6,145,787	6,145,787	4,545,787
Letsema Investments Proprietary Limited	-	2,800,000	2,800,000	-	2,800,000	2,800,000
Accrued audit fees	172,079	212,644	224,325	-	-	20,000
	6,756,836	**9,576,708**	**13,666,230**	**6,550,256**	**9,329,830**	**13,427,156**

Fair value of trade and other payables

Trade and other payables, are short term in nature. The carrying amount of trade and other payables represents the fair value.

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group 2016	Group 2015	Company 2016	Company 2015
16. Investment revenue				
Dividend revenue				
Listed financial assets - Local	21,715,275	43,982,250	87,215,275	4,200,089
Unlisted financial assets - Local	7,742,132	7,693,901	3,974,903,027	-
	29,457,407	**51,676,151**	**4,062,118,302**	**4,200,089**
Interest revenue				
Interest received	34,377,180	12,685,696	14,206,466	11,518,898
	63,834,587	**64,361,847**	**4,076,324,768**	**15,718,987**
17. Fair value adjustments				
Other financial assets	(232,248,852)	292,050,880	(232,248,852)	292,050,880
18. Finance costs				
Interest and penalties	6,810	3,797	-	-
19. Taxation				
Major components of the tax (income) expense				
Current				
Local income tax - current period	9,125,447	2,626,050	3,504,382	2,331,398
Local income tax - recognised in current tax for prior periods	4,256	-	-	-
Capital gains tax	847,893,696	-	190,524,543	-
	857,023,399	**2,626,050**	**194,028,925**	**2,331,398**
Deferred				
Originating and reversing temporary differences	443,201,780	54,530,547	443,201,780	54,530,547
Derecognition of deferred tax asset that is no longer probable to be utilised	(21,588,788)	-	-	-
Taxable Temporary difference on revaluation of available for sale financial assets	(1,563,357,582)	-	-	-
	(1,141,744,590)	**54,530,547**	**443,201,780**	**54,530,547**
	(284,721,191)	**57,156,597**	**637,230,705**	**56,861,945**
20. Auditors' remuneration				
Fees	480,577	349,944	271,799	214,278

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2016	2015	2016	2015

21. Other comprehensive income

Components of other comprehensive income - Group - 2016

	Gross	Tax	Net before non-controlling interest	Non-controlling interest	Net of tax
Items that may be reclassified to profit (loss)					
Available-for-sale financial assets adjustments					
Gains and losses arising during the year	(1,998,035,423)	376,121,540	(1,621,913,883)	550,817,592	(1,071,096,291)
Reclassification adjustments for available-for-sale financial assets	3,005,069,383	(20,235,984)	2,984,833,399	-	2,984,833,399
	1,007,033,960	**355,885,556**	**1,362,919,516**	**550,817,592**	**1,913,737,108**

Components of other comprehensive income - Group - 2015

	Gross	Tax	Net before non-controlling interest	Non-controlling interest	Net
Items that may be reclassified to profit (loss)					
Available-for-sale financial assets adjustments					
Gains and losses arising during the year	2,999,947,009	(566,814,227)	2,433,132,782	(1,157,990,690)	1,275,142,092

Components of other comprehensive income - Company - 2016

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Available-for-sale financial assets adjustments			
Gains and losses arising during the year	(572,881,815)	106,834,059	(466,047,756)

22. Cash generated from / (used in) operations

Profit before taxation	2,550,944,890	346,713,793	3,854,179,119	299,053,576
Adjustments for:				
Realisation of fair value on the sale of shares	(2,741,698,673)	-	(15,159,616)	-
Income from equity accounted investments	(1,123,140)	5,507,214	(1,123,140)	5,507,214
Dividends received	(29,457,407)	(51,676,151)	(4,062,118,302)	(4,200,089)
Interest received	(34,377,180)	(12,685,696)	(14,206,466)	(11,518,898)
Finance costs	6,810	3,797	-	-
Fair value adjustments	232,248,852	(292,050,880)	232,248,852	(292,050,880)
Impairment loss	104,513	-	-	-
Equity participation stake	-	18,106,936	-	18,106,936
Changes in working capital:				
Trade and other receivables	(65,388)	(45,458)	-	-
Trade and other payables	(2,819,872)	(4,089,522)	(2,779,574)	(4,097,326)
	(26,236,595)	**9,784,033**	**(8,959,127)**	**10,800,533**

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in Rand	2016	2015	2016	2015

23. Tax paid

Balance at beginning of the year	(489,563)	140,522	(339,196)	297,048
Current tax for the year recognised in profit or loss	(857,023,399)	(2,626,050)	(194,028,925)	(2,331,398)
Balance at end of the year	182,161,955	489,563	17,580,949	339,196
	(675,351,007)	**(1,995,965)**	**(176,787,172)**	**(1,695,154)**

24. Related parties

Relationships	
Ultimate holding company	CEPPWAWU Development Trust
Subsidiaries	Refer to note 4
Associates	Refer to note 5
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	(205,100)	(55,447,448)
Amalgum Investments 36 Proprietary Limited	-	52,795,280
Amalgum Investments 37 Proprietary Limited	4,457	(120)
Amalgum Investments 64 Proprietary Limited	101,574	88,988
Ceppwawu Pharmaceuticals Investments Two Proprietary Limited	(100)	(100)
Ceppwawu Pharmaceuticals Investments Two Proprietary Limited	(1,000)	(1,000)
Inyanga Trading 214 Proprietary Limited	919,406	807,152
Imithi Investments Proprietary Limited	43,320	-

25. Prior period errors

The prior period error relates to the treatment and the recognition with respect to the management agreement entered into with Letsema Investments Proprietary Limited.

The management agreement contracted with Letsema Investments Proprietary Limited states that Letsema's equity stake in all transactions shall be 27.5% of all the benefits received by Ceppwawu Investments Proprietary Limited. The prior period error has been corrected retrospectively and the comparative figures have been restated as follows in order to disclose the liability payable in this regard:

2015 Financial statement line item	Unadjusted AFS	Restated AFS
Other financial assets	9,831,452,533	9,831,452,533
Equity	(4,618,356,150)	(4,697,084,636)
Other financial liabilities	(270,074,161)	(140,566,732)

2014 Financial statement line item	Unadjusted AFS	Restated AFS
Other financial assets	6,521,326,915	6,488,654,909
Equity	(3,139,094,568)	(3,155,543,076)
Other financial liabilities	(203,471,462)	(154,350,947)

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group		Company	
	2016	2015	2016	2015

26. 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 cash and cash equivalents disclosed in note 11, and equity as disclosed in the consolidated 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 receivable, 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 a maintains a sufficient level of liquidity to be able to meet all its 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. 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 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.

27. 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.

28. Events after the reporting period

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

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Group		Company	
	2016	2015	2016	2015

29. Contingent liability

The company is liable to pay Letsema Investments Proprietary Limited 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 CEPPWAWU and Letsema Investments Proprietary Limited.

This amount is payable when a dividend is declared by any of the subsidiaries in the group to CEPPWAWU Investments Proprietary Limited. 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 CEPPWAWU to Letsema calculated on 27.5% of the net equity of that subsidiary.

Entity				
Amalgum Investments 35 Proprietary Limited	-	1,045,529,228	-	-
Amalgum Investments 36 Proprietary Limited	-	29,539,552	-	-
Inyanga Trading 214 Proprietary Limited	156,821	150,354	-	-
Allegra Properties 3 Proprietary Limited	249,068	53,142	-	-
Cirebelle Proprietary Limited	816,419	582,468	-	-
	1,222,308	**1,075,854,744**	-	-