FINANCIAL STATEMENTS

CONTENTS

LEVEL OF ASSURANCE

These financial statements have been audited in compliance with the applicable requirements of the Companies Act, (No. 71 of 2008), as amended.

Preparer
Wakeel Mclachlan
BCom (Hons) CA(SA)
Group financial manager

Auditors
Grant Thornton Cape Inc.
Registered Auditors

Supervised by:
Chantelle Ah Sing
Group chief financial officer

Published
4 November 2015

AUDIT AND RISK COMMITTEE REPORT

1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

The members of the audit and risk committee are all independent non-executive directors of the Group and include:

NAME	QUALIFICATION
S Young (Chairman)	B Proc LLB (UWC), LLM (Tulane University, USA)
JM Gaomab	Extensive Board-level experience
VC Mehana	BTh (Rhodes University), AMP (INSEAD Business School, France), Certificate on Public Enterprise (National University of Singapore), MBA (De Montfort University, UK), DPhil (University of Johannesburg), ordained minister of the Methodist Church of South Africa, adjunct professor of UCT: Graduate School of Business and Top Management Certificate on Public Enterprise (National University of Singapore)
TT Hove	BCom Hons Accounting (Nelson Mandela Metropolitan University), CA(SA), ACMA, CGMA

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94(5) of the Companies Act, 2008 (No. 71 of 2008), as amended (the Companies Act) and regulation 42 of the Companies Regulation, 2011.

2. MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The audit committee performs the duties laid upon it by section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

The committee held four meetings during 2014/15 and 75% of the committee members attended all the meetings.

3. EXTERNAL AUDITOR

The audit and risk committee has nominated Grant Thornton Cape Inc. as the independent auditor and I Hashim as the designated partner, who is a registered independent auditor, for appointment of the 2016 audit.

The committee satisfied itself through enquiry that the external auditors is independent as defined by the Companies Act and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act that internal governance processes within the firm support and demonstrate the claim to independence.

The audit and risk committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. ANNUAL FINANCIAL STATEMENTS

Following the review of the financial statements and integrated report, the audit committee recommend Board approval thereof.

5. EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

As required by the JSE Listings Requirement 3.84(h), the audit and risk committee assessed the competence and performance of the chief financial officer and is satisfied that she has the appropriate expertise and experience. The committee is satisfied with the expertise and adequacy of the resources within the finance function and the experience of the finance staff within the function.

6. INTERNAL AUDIT AND OBJECTIVE AND SCOPE OF THE AUDIT

For further information on the activities of the internal audit function and the objectives and scope of the audit, kindly refer to the report of the audit and risk committee.

On behalf of the audit and risk committee

S Young
Chairman: Audit and risk committee

Cape Town
4 November 2015

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 (IFRS), the SAICA financial reporting guides issued by the Accounting Practices Committee, the Companies Act and the Listings Requirements of the JSE Limited. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS, the SAICA financial reporting guides issued by the Accounting Practices Committee, the Companies Act and the Listings Requirements of the JSE Limited and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the 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 31 August 2016 and, in the light of this review and the current financial position, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's and Company's financial statements. The financial statements have been examined by the Group's external auditors and their report is presented on page 162.

The financial statements set out on pages 164 to 246, which have been prepared on the going concern basis, were approved by the board of directors on 4 November 2015 and were signed on its behalf by:

Prof VC Mehana
Non-executive chairman

K Abdulla
Chief executive officer

REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

Report on the financial statements

We have audited the consolidated and separate financial statements of African Equity Empowerment Investments Limited set out on pages 168 to 246, which comprise the statements of financial position as at 31 August 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa and for such internal control as the directors determines is necessary to enable the preparation of consolidated and separate 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 consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of African Equity Empowerment Investments Limited as at 31 August 2015, and its consolidated and separate financial performance and consolidated and separate 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 consolidated and separate financial statements for the year ended 31 August 2015, we have read the Director's Report, Audit and Risk Committee's Report and Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Grant Thornton Cape Inc.

Grant Thornton Cape Inc.
Registered Auditors
Chartered Accountants (SA)

B van der Walt
Partner
Chartered Accountant (SA)
Registered Auditor

4 November 2015
Cape Town

DIRECTORS' INTEREST IN CONTRACTS

During the period under review, no Director had any material interest in any contract of significance with African Equity Empowerment Investments Limited, any of its subsidiaries, associates or joint ventures that would give rise to a conflict of interest in the ordinary course of business other than those disclosed in the related party notes. Related party transactions with the directors are disclosed in note 34 of the financial statements.

REPORT OF THE COMPANY SECRETARY

In terms of section 88(1)(e) of the Companies Act, 2008 (No. 71 of 2008), as amended (the Companies Act), I certify that the Company has lodged with the Companies and Intellectual Property Commission and the Registrar all such returns as required by the Companies Act and that all such returns are true, correct and up to date.

All directors have access to the advice and services of the company secretary who provides guidance to the Board as a whole and to individual directors with regard to corporate governance and how they should discharge their responsibilities in the best interests of the Group.

C Arendse
Company secretary

4 November 2015

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of African Equity Empowerment Investments Limited and the Group for the year ended 31 August 2015.

1. NATURE OF BUSINESS

African Equity Empowerment Investments Limited is a black-controlled investment entity incorporated in South Africa which holds controlling interests in six sectors and promotes Broad-Based Black Economic Empowerment and sound corporate practices. It has many operational subsidiaries, investments in associates and joint ventures. Refer to note 42, 43 and 44.

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2008 (No. 71 of 2008), as amended and prepared according to the JSE Listings Requirements. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated financial statements. Refer to note 41 – Group Segmental Analysis for a detailed breakdown of the proportion of net income or loss attributable to the various divisions in the Group.

3. CORPORATE GOVERNANCE

The directors subscribe to the principles incorporated in the King Code of Corporate Practices and Conduct as set out in King III and, save as disclosed in the corporate governance review, have complied as far as practical with principles contained therein throughout the reporting period. The directors recognise the need to conduct the enterprise with integrity and in accordance with generally accepted corporate practices. The Board and the Board committees have reviewed the Group's corporate governance policies and procedures in the current year.

4. EVENTS AFTER THE REPORTING PERIOD

AEEI announced that it was in negotiations with Saab SA (Pty) Ltd and Saab Grintek Defence (Pty) Ltd to dispose of its effective shareholding in Saab SA (Pty) Ltd of 5% for R20 million. The investment has therefore been classified as held for sale in the statement of financial position. AEEI and Saab SA (Pty) Ltd in terms of the heads of agreement, are finalising a new shareholding structure, whereby AEEI is granted the right to acquire 25% plus 1 share in Saab Grintek Defence (Pty) Ltd for a consideration amount of R125 million.

On the 14 October 2015 the Group purchased 1 190 476 shares in Sygnia Limited to the value of R9 999 998.

5. AUTHORISED AND ISSUED SHARE CAPITAL

There were no changes in the share capital of the Company during the year under review.

6. DIVIDENDS

A final dividend of 2 cents was paid to shareholders during the year under review, which is reflected in the statement of changes in equity. A final dividend of 2.5 cents has been approved by the Board of directors on 27 October 2015 in South African currency in respect of the year ended 31 August 2015. The dividend is payable on 22 February 2016 to shareholders recorded in the register of the company at close of business on 19 February 2016.

7. DIRECTORATE

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

Directors	Office	Designation	Changes
K Abdulla	Chief executive officer	Executive	
C Ah Sing	Chief financial officer	Executive	
CF Hendricks	Corporate affairs and sustainability director	Executive	
Prof VC Mehana	Chairman	Non-executive independent	
S Young	Deputy chairman	Non-executive independent	
JM Goamab	Other	Non-executive independent	
A Amod	Other	Non-executive independent	
TT Hove	Other	Non-executive independent	
Z Barends	Other	Non-executive independent	Appointed 14 November 2014
Dr MI Survé	Ex-chairman	Executive	Resigned 6 November 2014

8. AUDITORS

Grant Thornton Cape Inc. have indicated their willingness to continue as auditors for the ensuing year. The audit and risk committee has satisfied itself of the independence of the auditors and the designated auditor.

At the AGM, the shareholders will be requested to reappoint Grant Thornton Cape Inc. as the independent external auditors of the Company and to confirm Mr I Hashim as the designated lead audit partner for the 2016 financial year.

9. SECRETARY

The company secretary is Mrs Carmelita Arendse.

Postal address:	PO Box 181 Cape Town South Africa 8000
Business address:	Quay 7, East Pier V&A Waterfront Cape Town 8001

10. LIQUIDITY AND SOLVENCY

The directors have performed the liquidity and solvency tests required by the Companies Act, as amended, for the Group. The Board is satisfied that the Group is solvent and has no reason to believe that the business will not be a going concern in the year ahead.

11. COMPANY SECRETARY

As required by JSE Listings Requirement 3.84(i), the Board has satisfied itself that the company secretary has appropriate expertise, competence and experience. The company secretary is accountable to the Board and the following duties, among other things, were carried out:

- guidance to the directors in terms of their duties, responsibilities, powers, training and induction of the responsibilities and liabilities under the Companies Act;
- making the Board aware of any law relevant to and/or affecting the Company;
- preparation of board packs and recording of proper detailed minutes of meetings;
- ensuring proper and orderly conduct at all board, committee and annual general meetings;
- disclosure of corporate actions of SENS announcements and directors' dealings in securities;
- preparation and timeous delivery of the Integrated Report and Annual General Meeting Notice and Proxy to shareholders;
- compliance with JSE Listings Requirements and the Companies Act; and
- updated board policies, board charters in compliance with statutory, regulatory and legislative requirements.

All directors have access to the advice and services of the company secretary. The Board confirms it is satisfied that there is an arm's length relationship between itself and the company secretary as the company secretary is not involved in the day to-day operations of the Company but ensures that good corporate governance is practised by the Company.

12. REPORT OF THE AUDIT AND RISK COMMITTEE

The report of the audit and risk committee, as required in section 94(7)(f) of the Companies Act, is set out on page 160 of these financial statements.

13. BOARD EVALUATION OF THE AUDIT AND RISK COMMITTEE

The board of directors believes that the committee has satisfied its responsibilities for the year in compliance with the terms of reference of the Companies Act.

DIRECTORS' REPORT *(continued)*

14. DIRECTORS' INTERESTS IN SHARES

There have been no changes in the directors' interest between 1 September 2015 and the date of this report. There has been no change in the issued share capital during the financial year ending 31 August 2015. None of the Company's directors bought or sold "B" class ordinary shares from 1 September 2015 until the publication of the results.

Interests in share capital
"B" class ordinary shares – listed
as at 31 August 2015

	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
K Abdulla	1 575 316	–	–	10 024 390	2.36%
CR Ah Sing	400 000	–	–	–	0.08%
CF Hendricks	305 000	–	–	–	0.06%
Prof VC Mehana	250 000				0.05%
Z Barends	1 000	–	–	–	0.00%
Total	2 531 316	–	–	10 024 390	2.55%

as at 31 August 2014

	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
Dr MI Survé	–	–	–	281 439 581	57.28%
K Abdulla	1 575 316	–	–	13 824 390	3.13%
CR Ah Sing	400 000	–	–	–	0.08%
CF Hendricks	305 000	–	–	–	0.06%
Prof VC Mehana	250 000	–	–	–	0.05%
JM Gaomab	250 000	–	–	–	0.05%
AB Amod	18 718 001	–	–	–	3.81%
Total	21 498 317	–	–	295 263 971	64.46%

15. VOTING RIGHTS

"B" class ordinary shares each carry one vote per share.

16. PROPERTY, PLANT AND EQUIPMENT

There was no change in the nature of the property, plant and equipment of the group or in the policy regarding their use.

17. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS

The principal subsidiaries, joint ventures and associates are reflected in notes 5, 6 and 7.

18. 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. The unutilised borrowings as at 31 August 2015 amounted to R35 575 984.

19. SPECIAL RESOLUTIONS

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the Company. The only special resolutions passed at the annual general meeting on 27 February 2015 are as follows:

- Change of name to African Equity Empowerment Investments Limited;
- remuneration for executive and non-executive directors;
- inter-company financial assistance;
- financial assistance for the acquisition of shares in a related or inter-related company;
- the Company or its subsidiaries to repurchase Company shares; and
- subsidiaries of the Company to repurchase shares of such subsidiary.

20. GOING CONCERN

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

The 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.

21. LITIGATION STATEMENT

The group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The group is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

22. CONTINGENT LIABILITIES

Contingent liabilities that existed on 31 August 2015 are disclosed in note 40.

23. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated financial statements have been authorised for issue by the directors on 4 November 2015. No authority was given to anyone to amend the financial statements after the date of issue.

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2015

	Notes	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Assets					
Non-current assets					
Property, plant and equipment	2	**153 422**	138 266	**218**	288
Goodwill	3	**56 832**	55 469	**–**	–
Intangible assets	4	**339 697**	336 367	**30**	33
Investments in subsidiaries	5	**–**	–	**1 006 948**	810 469
Investments in associates	6	**9**	–	**–**	–
Loans to group companies	8	**–**	–	**147 490**	112 826
Other loans receivable	9	**5 282**	2 065	**–**	–
Other financial assets	10	**524 984**	426 947	**286**	29 131
Deferred tax	11	**16 162**	11 901	**1 455**	1 225
Prepayments		**131**	226	**–**	–
		1 096 519	971 241	**1 156 427**	953 972
Current assets					
Inventories	12	**31 503**	22 305	**–**	–
Loans to group companies	8	**–**	–	**53 385**	46 973
Other loans receivable	9	**7 734**	245	**1 650**	–
Current tax receivable		**450**	556	**–**	112
Trade and other receivables	13	**111 037**	98 753	**15 621**	4 728
Biological assets	14	**46 162**	36 014	**–**	–
Cash and cash equivalents	15	**32 066**	47 118	**612**	49
		228 952	204 991	**71 268**	51 862
Non-current assets held for sale	16	**20 000**	1 852	**20 000**	–
Total assets		**1 345 471**	1 178 084	**1 247 695**	1 005 834
Equity and liabilities					
Equity					
Equity attributable to equity holders of parent					
Share capital	17	**403 177**	403 177	**403 177**	403 177
Reserves	18	**8 034**	8 034	**–**	–
Retained income		**300 895**	157 825	**566 261**	384 043
		712 106	569 036	**969 438**	787 220
Non-controlling interest		**92 443**	96 036	**–**	–
		804 549	665 072	**969 438**	787 220
Liabilities					
Non-current liabilities					
Loans from group companies	8	**–**	–	**66 215**	40 822
Other financial liabilities	19	**112 800**	135 445	**–**	31 400
Finance lease obligation	20	**109**	207	**109**	207
Operating lease liability		**2 713**	1 794	**–**	–
Deferred tax	11	**239 015**	210 489	**148 748**	113 610
		354 637	347 935	**215 072**	186 039
Current liabilities					
Provisions	21	**23 568**	26 507	**4 602**	3 895
Current tax payable		**6 869**	6 715	**456**	–
Trade and other payables	22	**95 698**	98 873	**8 556**	1 629
Other financial liabilities	19	**45 609**	27 933	**44 783**	22 216
Finance lease obligation	20	**98**	83	**98**	83
Operating lease liability		**274**	214	**–**	–
Dividend payable		**750**	–	**–**	–
Bank overdraft	15	**13 419**	4 752	**4 690**	4 752
		186 285	165 077	**63 185**	32 575
Total liabilities		**540 922**	513 012	**278 257**	218 614
Total equity and liabilities		**1 345 471**	1 178 084	**1 247 695**	1 005 834
Net asset value per share (cents)		**144.93**	115.81	**197.31**	160.22

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2015

		Group		Company	
	Notes	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Revenue	23	**672 185**	620 549	**25 843**	18 269
Cost of sales		**(443 546)**	(426 222)	**–**	–
Gross profit		**228 639**	194 327	**25 843**	18 269
Other income	24	**3 595**	4 710	**9**	–
Operating expenses		**(150 738)**	(145 590)	**(22 335)**	(23 164)
Gain on deemed disposal of equity accounted investments	45	**3 224**	22 556	**–**	–
Gain on disposal of subsidiary	48	**3 436**	–	**–**	–
Impairments/reversals and write-offs	25	**(5 779)**	(1 172)	**17 001**	(381)
Investment revenue	27	**16 976**	12 401	**34 620**	15 494
Fair value adjustments	28	**106 405**	46 303	**187 634**	39 030
Loss from equity accounted investments	46	**(316)**	(6 179)	**–**	–
Finance costs	29	**(19 695)**	(19 164)	**(14 641)**	(10 328)
Profit before taxation	26	**185 747**	108 192	**228 131**	38 920
Taxation	30	**(36 491)**	(5 759)	**(36 086)**	(6 259)
Profit for the year		**149 256**	102 433	**192 045**	32 661
Total comprehensive income for the year		**149 256**	102 433	**192 045**	32 661
Total comprehensive income attributable to:					
Owners of the parent		**152 897**	96 802	**192 045**	32 661
Non-controlling interest		**(3 641)**	5 631	**–**	–
		149 256	102 433	**192 045**	32 661
Profit attributable to:					
Owners of the parent		**152 897**	96 802	**192 045**	32 662
Non-controlling interest		**(3 641)**	5 631	**–**	–
		149 256	102 433	**192 045**	32 662
Earnings per share					
Per share information					
Basic earnings per share (cents)	31	**31.12**	19.76	**–**	–
Diluted earnings per share (cents)	31	**31.12**	19.76	**–**	–

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2015

	Share capital R'000	Share premium R'000	Total share capital R'000	Reserves R'000	(Accumulated loss)/ Retained income R'000	Total attributable to equity holders of the Group R'000	Non-controlling interest R'000	Total equity R'000
Group								
Balance at 1 September 2013	**30**	**403 147**	**403 177**	**121 194**	**(52 137)**	**472 234**	**4 762**	**476 996**
Profit for the year	–	–	–	–	96 802	96 802	5 631	102 433
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**96 802**	**96 802**	**5 631**	**102 433**
Transfer between reserves	–	–	–	(113 160)	113 160	–	–	–
Business combination	–	–	–	–	–	–	86 791	86 791
Dividends	–	–	–	–	–	–	(1 148)	(1 148)
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**–**	**(113 160)**	**113 160**	**–**	**85 643**	**85 643**
Balance at 1 September 2014	**30**	**403 147**	**403 177**	**8 034**	**157 825**	**569 036**	**96 036**	**665 072**
Profit for the year	–	–	–	–	152 897	152 897	(3 641)	149 256
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**152 897**	**152 897**	**(3 641)**	**149 256**
Dividends	–	–	–	–	(9 827)	(9 827)	(2 248)	(12 075)
Business combinations	–	–	–	–	–	–	2 296	2 296
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**–**	**–**	**(9 827)**	**(9 827)**	**48**	**(9 779)**
Balance at 31 August 2015	**30**	**403 147**	**403 177**	**8 034**	**300 895**	**712 106**	**92 443**	**804 549**
Notes	17	17	17	18				
Company								
Balance at 1 September 2013	**30**	**403 147**	**403 177**	**–**	**351 382**	**754 559**	**–**	**754 559**
Profit for the year	–	–	–	–	32 661	32 661	–	32 661
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**32 661**	**32 661**	**–**	**32 661**
Balance at 1 September 2014	**30**	**403 147**	**403 177**	**–**	**384 043**	**787 220**	**–**	**787 220**
Profit for the year	–	–	–	–	192 045	192 045	–	192 045
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**192 045**	**192 045**	**–**	**192 045**
Dividends	–	–	–	–	(9 827)	(9 827)	–	(9 827)
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**–**	**–**	**(9 827)**	**(9 827)**	**–**	**(9 827)**
Balance at 31 August 2015	**30**	**403 147**	**403 177**	**–**	**566 261**	**969 438**	**–**	**969 438**
Notes	17	17	17	18				

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2015

		Group		Company	
	Notes	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Cash flows from operating activities					
Cash receipts from customers		**659 991**	592 293	**14 950**	14 224
Cash paid to suppliers and employees		**(592 147)**	(518 794)	**(14 228)**	(20 295)
Cash generated from operations	32	**67 844**	73 499	**722**	(6 072)
Interest revenue		**2 328**	7 052	**19 620**	10 572
Dividends received		**14 648**	5 349	**15 000**	4 922
Finance costs		**(19 695)**	(19 164)	**(14 641)**	(10 328)
Tax paid	33	**(14 331)**	(9 708)	**(610)**	(668)
Net cash from operating activities		**50 794**	57 028	**20 091**	(1 574)
Cash flows from investing activities					
Purchase of property, plant and equipment	2	**(34 136)**	(18 278)	**–**	(353)
Sale of property, plant and equipment	2	**713**	1 050	**–**	–
Purchase of other intangible assets	4	**(1 552)**	(4)	**–**	–
Expenditure on software development	4	**(1 997)**	–	**–**	–
Business combinations	45	**150**	(1 740)	**–**	–
Loans advanced to Group companies		**–**	–	**(36 937)**	(42 425)
Receipts from loans from Group companies		**–**	–	**45 782**	49 471
Increase in other loan receivables		**(3 041)**	(13 389)	**(1 650)**	(845)
Decrease in other loan receivables		**138**	2 243	**–**	–
Investment in joint venture		**(33)**	–	**–**	–
Net cash from investing activities		**(39 758)**	(30 118)	**7 195**	5 848
Cash flows from financing activities					
Repayment of other financial liabilities		**(33 006)**	(43 351)	**(16 767)**	(15 373)
Receipt of other financial liabilities		**8 161**	17 664	**16**	–
Finance lease (payments)/advances		**(83)**	48	**(83)**	290
Dividends paid		**(9 827)**	–	**(9 827)**	–
Net cash from financing activities		**(34 755)**	(25 639)	**(26 661)**	(15 083)
Total cash movement for the year		**(23 719)**	1 271	**625**	(10 809)
Cash at the beginning of the year		**42 366**	41 095	**(4 703)**	6 106
Total cash at end of the year	15	**18 647**	42 366	**(4 078)**	(4 703)

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA financial reporting guides issued by the Accounting Practices Committee, the Companies Act, as amended and the Listings Requirements of the JSE Limited. The financial statements have been prepared on the historical cost basis, except where otherwise stated and incorporate the principle accounting policies set out below.

These accounting policies are consistent with the previous year except for the adoption of the new and revised standards listed below.

Adoption of new and revised standards

During the current year, the Group has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRIC that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2014. The adoption of these new and revised standards and interpretations, with the exception of IFRS 10 adopted in the prior year, has not resulted in material changes to the group's accounting policies.

The Group adopted the following standards, interpretations and amended standards during the year:

Standard	Details of amendments	Annual periods beginning on or after
IFRS 3 Business Combinations	• Annual Improvements 2010 – 2012 Cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9. • Annual Improvements 2011 – 2013 Cycle: Amendments to the scope paragraph for the formation of a joint arrangement.	1 July 2014
IFRS 8 Operating Segments	• Annual Improvements 2010 – 2012 Cycle: Amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as those to certain reconciliations	1 July 2014
IFRS 10 Consolidated Financial Investments	• 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.	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	• New disclosures required for Investment Entities (as defined in IFRS 10).	1 January 2014
IFRS 13 Fair Value Measurements	• Annual Improvements 2010 – 2012 Cycle: Amendments to clarify the measurement requirements for those short-term receivables and payables	1 July 2014
IAS 19 Employee Benefits	• Amendments to Defined Benefit Plans: Employee Contributions whereby the requirements in IAS 19 for contributions from employees or third parties that are linked to service have been amended.	1 July 2014
IAS 16 Property, Plant and Equipment	• Annual Improvements 2010 – 2012 Cycle: Amendments to the revaluation method – proportionate restatement of accumulated depreciation.	1 July 2014
IAS 24 Related Parties	• Clarification of the definition of a related party.	1 July 2014
IAS 36 Impairment of Assets	• The amendment to IAS 36 clarifies the required disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.	1 January 2014

Standard	Details of amendments	Annual periods beginning on or after
IAS 38 Intangible Assets	• Annual Improvements 2010 – 2012 Cycle: Amendments to the revaluation method – proportionate restatement of accumulated depreciation.	1 July 2014

1.1 UNDERLYING CONCEPTS

The financial statements are prepared on the going concern basis, which assumes that the Group will continue in operation for the foreseeable future.

The financial statements are prepared using accrual accounting whereby the effects of transactions and other events are recognised when they occur, rather than when the cash is received or paid.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are only offset when there is a legally enforceable right to offset, and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies are the specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements. Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively. If, after making every reasonable effort to do so, it is impracticable to apply the change retrospectively, it is applied prospectively from the beginning of the earliest period practicable.

Changes in accounting estimates are adjustments to assets or liabilities or the amounts of periodic consumption of assets that result from new information or new developments. Such changes are recognised in profit or loss in the period they occur.

Functional currency is rands and all amounts are rounded to thousands (R'000s).

1.2 CONSOLIDATION

Basis of consolidation

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

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

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

Adjustments are made when necessary to the 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 transactions 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.

ACCOUNTING POLICIES *(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.

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 or gain on acquisition 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.

The excess of the cost of the investment over the Group's share of net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

On disposal of a subsidiary, associate or joint venture to which goodwill was allocated on acquisition, the amount attributable to such goodwill is included in the determination of the profit or loss for the period in which the relevant investment is disposed.

Investment in associates
An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint arrangement. 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.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint ventures

An interest in a joint venture 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, interests in joint ventures are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses. Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein.

When the company loses joint control, 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.

Joint operations

The Company recognises the following in relation to its interests in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Trade receivables and loans and receivables

The Group assesses its trade receivables and loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, 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.

ACCOUNTING POLICIES *(continued)*

Property, plant and equipment
The Group assesses the useful lives, depreciation rates and residual value of these assets at each reporting date. These estimates take cognisance of current market and trading conditions for the Group's specific assets. In addition, the useful life estimates take into account the risk of obsolescence due to advances in technology.

Intangible assets
The Group assesses the useful lives, amortisation rates and residual values at each reporting date. This judgement is based on the market and trading conditions for the Group, management's expectations and strategy for the use of the intangible, as well as by performance indicators, including sales growth rate and operating margins, of cash-generating units which use the intangible.

Biological assets
Abalone is weighed and graded into specific different size categories at regular intervals. A predicted growth rate for the abalone is determined based on the actual weight of the abalone which has been weighed and graded at the birth date of the abalone. As at the reporting date, a combination of graded figures and predicted figures (those awaiting their latest grade interval) is then used to determine the weight and graded size categories of the abalone. The value of the stock is then determined based on the market value of each grading size category for the abalone. All selling costs are excluded from fair values.

Allowance for slow-moving, damaged and obsolete inventory
Management has made estimates of the selling price and direct cost to sell on certain inventory items at year-end by reviewing subsequent selling prices.

Intangible assets – estimated useful life of licence
The licence with allocated rights acquired via a business combination during the financial year are not subject to amortisation and are tested annually for impairment as the Group is of the opinion that the licences can be renewed in perpetuity at negligible cost and the associated rights, similar to land have an indefinite useful life. The estimated economic useful life reflects the Group's expectation of the period over which the Group will continuously recover the benefits from the licence.

Impairment testing
Assets are subject to regular impairment reviews as required. Impairments are measured at the difference between the cost (or amortised cost) of a particular asset and the recoverable amount which is the greater of the fair value less cost to sell and value-in-use of the asset. Impairments are recorded in the statement of comprehensive income in the period in which the occur. The group's policy in relation to impairment testing in respect of goodwill is detailed below.

The recoverable amount of the cash-generating units has been determined based on a value-in-use calculation. Key assumptions applied to determine the recoverable amount of the cash generating units, using the value-in-use calculation relating to sales growth rates, working capital requirements and capital expenditure. Cash flow projections were based on historical information and financial budgets approved by senior management covering a five-year period.

Normal taxation and deferred tax
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 statement of financial position date could be impacted.

Investments in subsidiaries

Valuation method

An entity discounted cash flow (DCF) valuation technique is used for all unlisted investments. Price/earnings valuations are not used as a primary method due to lack of sufficient comparable information and are thus only used as a secondary review.

Application of methodology

Free cash flow (FCF) forecasts are prepared year by year for a minimum of a three-year period and for high-growth companies year-by-year forecasts for a period of five years are prepared, where after a terminal value will be calculated.

Terminal value growth rates

When calculating the terminal value, growth rates in excess of the current inflation rate are not utilised. Real growth beyond ten years is not likely, and even if likely is difficult to forecast with any certainty.

Terminal values

When calculating the terminal value, care is taken regarding the level of net capital investment assumed. This is assumed to be lower than during the specific forecast period for high growth companies. For mature, stable companies net capital investment during the specific forecast period and beyond is assumed to be the same.

Discount rate

Free cash flows are discounted at the company's weighted average cost of capital (WACC), being the weighted cost of equity (as determined using the capital asset pricing model (CAPM)) and the weighted after-tax cost of debt.

Risk-free rate

The risk-free rate utilised is the current yield on long-term government bonds. For purposes of the valuations the R207 government bond has been used. These yields were obtained from the financial press at the time of preparing the valuations.

Beta

The equally-weighted average of the relevant industry betas together with professional judgement is used.

The betas are calculated over a five-year period (where possible). This is assumed to provide a fair estimate of the group's recent market risk.

Market risk premium

A market risk premium was utilised in all valuations.

Value of equity

The value of equity will be equal to the free cash flow value of the entity, less the statement of financial position values (at valuation date) of debt and any other form of financing, plus any cash on hand (per the statement of financial position) which is in excess of normal working capital requirements.

Fair value determination

The fair value of financial instruments that are not traded in an active market is determined 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. Discounted cash flows are used to determine fair value for the investments in subsidiary companies and other unlisted investments. The use of a discounted cash flow analysis requires the estimation of a number of significant components, including the future expected cash flows, and the weighted average cost of capital used to perform the discounting. Many of these factors may have a material impact on the valuation.

ACCOUNTING POLICIES *(continued)*

1.4 PROPERTY, PLANT AND EQUIPMENT

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

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

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost, including transaction costs as intended by management to bring the assets into use, less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight-line method at a rate considered appropriate to reduce the carrying value of an item over its useful life to its estimated residual value.

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

Item	Average useful life
Broadcast mast	10 years
Buildings	5 – 40 years
Computer equipment	1 – 8 years
Computer software	2 – 5 years
Furniture and fixtures	2 – 20 years
Laboratory equipment	8 years
Land	Indefinite
Leasehold property	5 – 40 years
Motor vehicles	1 – 10 years
Office equipment	3 – 21 years
Pharmaceutical books	3 – 7 years
Plant and machinery	1 – 36 years
Studio equipment	5 years
Vessels	3 – 32 years

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

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

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

1.5 BIOLOGICAL ASSETS

Biological assets consist of abalone cultivated in an aquaculture farm and are measured at their fair value less estimated point-of-sale costs.

Any gains or losses arising from measurement on initial recognition or from a subsequent change in fair value less estimated point-of-sale costs is included in profit or loss for the period in which it arises.

1.6 INTANGIBLE ASSETS

Intangible assets which are separately acquired are initially recognised at cost, being their purchase prices after adding any directly attributable costs of preparing the assets to be capable of operating in the manner intended by management.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

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

Intangible assets with a finite useful life are carried at cost less any accumulated amortisation and any impairment losses.

Intangible assets with an indefinite useful life are not amortised, but are reviewed on an annual basis for indications that continue to support an indefinite useful life assessment.

Internally generated intangible assets are recognised for costs incurred in the development phase of an internal project.

Software development costs, which are generated internally, are initially measured at cost, being all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management, and are subsequently carried at cost after taking into account any accumulated amortisation and accumulated impairment losses, where applicable.

Costs incurred in the research phase are included in the calculation of profit or loss for the period in which they are incurred.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows.

The amortisation period, residual values and the amortisation method for intangible assets are reviewed at every year-end.

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

Item	Useful life
Biosimilar drug under development	20 years
Fishing quotas	4 – 7 years
Licences and technologies	20 years
Novel compounds	20 years
Pharmaceutical dossiers	20 years
Software development	10 years
Radio licence	Indefinite
Trademarks	10 – 20 years

ACCOUNTING POLICIES *(continued)*

1.7 FINANCIAL INSTRUMENTS

Initial recognition and measurement

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.

The Group's principal financial assets are various investments, loans receivable, trade and other receivables and bank and cash balances. The Group's principal financial liabilities are interest-bearing and non-interest-bearing loans payable, trade and other payables and bank overdrafts.

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Derecognition of financial assets and financial liabilities

Financial assets or parts thereof are derecognised when:

- the right to receive the cash flows has expired;
- the right to receive the cash flows is retained, but an obligation to pay them to a third party under a "pass-through" arrangement is assumed; or
- the Group transfers the right to receive the cash flows, and also transfers either all the risks and rewards, or control over the asset.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expired.

Financial instruments designated as at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets designated as at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

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.

Investments are measured initially and subsequently at fair value. Gains and losses arising from changes in fair value are included in profit or loss for the period.

Transaction costs are recognised in profit or loss. Dividend income is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payment is established.

Listed financial instruments are valued using the last traded price before reporting date. No adjustments have been made to the last traded price.

Derivatives

Derivative financial instruments, which are not designated as hedged instruments, consisting of foreign exchange contracts are initially measured at fair value on the contract date, and re-measured to fair value at subsequent reporting dates.

Changes in the fair values of derivative financial instruments are recognised in profit or loss as they arise. Derivatives are classified as financial assets at fair value through profit or loss – held for trading.

Loans to/(from) Group companies

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

Subsequently, these loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the loan'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 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 loan at the date the impairment is reversed shall not exceed what the amortised cost would have been, had the impairment not been recognised.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value plus transaction costs, 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 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 plus transaction costs, 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.

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

1.8 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 statement of financial position date.

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 goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

ACCOUNTING POLICIES *(continued)*

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, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- 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 arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

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 statement of financial position date.

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.

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

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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

Operating leases – lessor
Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Operating leases – lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

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

1.10 INVENTORIES

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

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

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. The reversal cannot increase the carrying amount of the inventory above the carrying amount, had no write-down been recognised initially.

Obsolete, redundant and slow moving items are identified on a regular basis and written down to their estimated net realisable values.

1.11 NON-CURRENT ASSETS HELD FOR SALE (AND DISPOSAL GROUPS)

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1.12 IMPAIRMENT OF ASSETS

The Group assesses at each statement of financial position date 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; and
- 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.

ACCOUNTING POLICIES *(continued)*

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

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

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

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

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

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

1.13 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.

If the Group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group’s own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.14 EMPLOYEE BENEFITS

Defined contribution plans

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

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

Other employee benefits

Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to statement of financial position date. The expense is recognised in the statement of comprehensive income of the period in which the employee renders the service.

The Group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation. An accrual is maintained for the appropriate proportion of the expected bonuses which would become payable at the year-end.

1.15 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.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been adjusted.

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.

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 40.

1.16 REVENUE

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

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

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the statement of financial position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the statement of financial position date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Service revenue is recognised by reference to the stage of completion of the transaction at the statement of financial position date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

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, 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.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.17 COST OF SALES

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

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

ACCOUNTING POLICIES *(continued)*

1.18 BORROWING COSTS

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

1.19 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

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

At the statement of financial position date:

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

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

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

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

1.20 SEGMENTAL ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from external transactions with other group segments. Segment results are determined before any adjustments for minority interests.

Segment assets and liabilities comprise the operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deducting related allowances that are reported as direct offsets in the group's statement of financial position. Capital expenditure represents the total costs incurred during the period to acquire segment assets that are expected to be used during more than one period, namely, property, plant and equipment, and intangible assets other than goodwill.

During the year under review the segment for Marine has been changed to Fishing. Combined Food and Fishing reflects the reclassification of the investment in Pioneer Foods Limited to be reflected as part of the Food and Fishing segment instead of Investments. Reclassification has thus been made to the prior year segmental report to be in line with the year under review.

Business segments comprise:

- Food and Fishing, being the Group's food and fishing interests;
- Health Care, being the Group's health-related manufacturing and wholesale;
- Technology, being the Group's various information technology interests;
- Events and Tourism, being the Group's event management and travel agency interests;
- Biotechnology, being the Group's research and development in the biotechnology interests; and
- Corporate, being the Group's interest in its controlled and non-controlled investments.

1.21 EARNINGS PER SHARE

Earnings per share is calculated on the weighted average number of shares in issue, net of treasury shares, in respect of the year and is based on profit attributable to ordinary shareholders. Headline earnings per share is calculated in terms of the requirements set out in Circular 02/2013 issued by SAICA.

1.22 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective.

Standard	Details of amendments	Annual periods beginning on or after
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	• Annual Improvements 2012 – 2014 Cycle: Amends IFRS 5 to clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice versa), the accounting guidance in paragraphs 27-29 of IFRS 5 does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27 – 29.	1 July 2016
IFRS 7 Financial Instruments: Disclosures	• Annual Improvements 2012 – 2014 Cycle: The amendments provide additional guidance to help entities identify the circumstances under which a servicing contract is considered to be 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E – 42H of IFRS 7. Such circumstances commonly arise when, for example, the servicing fee is dependent on the amount or turning of the cash flows collected from the transferred financial asset or when a fixed fee is not paid in full due to non-performance of that asset. • Annual Improvements 2012 – 2014 Cycle: These amendments clarify that the additional disclosure required by the recent amendments to IFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with IAS 34 Interim Financial Reporting when its inclusion would be necessary in order to meet the general principles of IAS 34.	1 July 2016
IFRS 9 Financial Instruments	A finalised 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. • IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.	1 January 2018

ACCOUNTING POLICIES *(continued)*

Standard	Details of amendments	Annual periods beginning on or after
IFRS 10 Consolidated Financial Investments	• Amendments to address an acknowledged inconsistency between the requirements in IFRS 10 "Consolidated Financial Statements" and those in IAS 28 (2011) "Investments in Associates" in dealing with the sale or contribution of a subsidiary. • Amended by Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
IFRS 11 Joint arrangements	• Amendments to provide guidance on the accounting for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business. • Investment Entities: Applying the Consolidation Exception: 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.	1 January 2016
IFRS 12 Disclosures of Interest in Other Entities	• Investment Entities: Applying the Consolidation Exception: 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.	1 January 2016
IFRS 14 Regulatory Deferral Accounts	• IFRS 14 permits first-time adopters to continue to recognise amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard.	1 January 2017
IFRS 15 Revenue from Contracts with Customers	• New guidance on recognition of revenue that requires recognition of revenue in a manner that depicts the transfer of goods or services to customers at an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services.	1 January 2018
IAS 1 Presentation of Financial Statements	• Disclosure Initiative: Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures.	1 January 2016
IAS 16 Property, Plant and Equipment	• Amendments to prohibit the use of a revenue-based depreciation method for property, plant and equipment, as well as guidance in the application of the diminishing balance method for property, plant and equipment. • Amendments specifying that because the operation of bearer plants is similar in nature to manufacturing, they should be accounted for under IAS 16 rather than IAS 41. The produce growing on the bearer plants will continue to be within the scope of IAS 41. • Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.	1 January 2016

Standard	Details of amendments	Annual periods beginning on or after
IAS 19 Employee Benefits	• Annual Improvements 2012 – 2014 Cycle: IAS 19.83 requires that the currency and term of the corporate or government bonds used to determine the discount rate for post- employment benefit obligations must be consistent with the currency and estimated term of the obligations. The amendments clarify that the assessment of the depth of the corporate bond market shall be made at the currency-level rather than the country-level.	1 July 2016
IAS 27 Consolidated and Separate Financial Statements	• Amendments to introduce a third option which allows entities to account for investments in subsidiaries, joint ventures and associates under the equity method in their separate financial statements.	1 January 2016
IAS 28 Investments in Associates	• Amendments to address an acknowledged inconsistency between the requirements in IFRS 10 "Consolidated Financial Statements" and those in IAS 28 (2011) "Investments in Associates" in dealing with the sale or contribution of a subsidiary. In addition IAS 28 (2011) has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.	1 January 2016
IAS 38 Intangible Assets	• Amendments present a rebuttable presumption that a revenue based amortisation method for intangible assets is inappropriate except in two limited circumstances, as well as provide guidance in the application of the diminishing balance method for intangible assets.	1 January 2016
IAS 34 Interim Financial Reporting	• Annual Improvements 2012 – 2014 Cycle: The amendments clarify the meaning of disclosure of information elsewhere in the interim financial report' and require the inclusion of a cross-reference from the interim financial statements to the location of this information. The amendments specify that this information must be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time, or the interim financial statements will be incomplete.	1 July 2016

Impact of new standards, interpretations and amendment not yet effective
IFRS 7 may result in additional disclosure of financial instruments.

IFRS 8 may result in additional disclosure of operating segments and some disclosure requirements regarding the judgements made by management in applying the aggregation criteria.

IFRS 12 may result in additional disclosure of interest in other entities.

IFRS 13 may impact the measurement of fair values of investments in subsidiaries, associates and other financial assets.

The Group is in the process of assessing the impact of the above standards and interpretations on the Group's financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

Group	2015 Cost R'000	2015 Accumulated depreciation R'000	2015 Carrying value R'000	2014 Cost R'000	2014 Accumulated depreciation R'000	2014 Carrying value R'000
Broadcast mast	**4 791**	**(40)**	**4 751**	–	–	–
Buildings	**4 770**	**(916)**	**3 854**	3 361	(857)	2 504
Computer equipment	**9 985**	**(8 275)**	**1 710**	8 944	(7 153)	1 791
Computer software	**1 766**	**(510)**	**1 256**	579	(339)	240
Furniture and fixtures	**4 802**	**(3 803)**	**999**	4 432	(3 438)	994
Laboratory equipment	**7 133**	**(4 342)**	**2 791**	3 532	(89)	3 443
Land	**3 470**	**–**	**3 470**	3 470	–	3 470
Leasehold improvements	**28 481**	**(17 345)**	**11 136**	24 554	(11 915)	12 639
Motor vehicles	**3 994**	**(3 174)**	**820**	3 532	(2 966)	566
Office equipment	**1 704**	**(1 418)**	**286**	1 510	(1 186)	324
Plant and machinery	**134 327**	**(91 201)**	**43 126**	130 238	(91 263)	38 975
Studio equipment	**2 802**	**(44)**	**2 758**	–	–	–
Vessels	**167 185**	**(90 720)**	**76 465**	154 954	(81 634)	73 320
Total	**375 210**	**(221 788)**	**153 422**	339 106	(200 840)	138 266

Company	2015 Cost R'000	2015 Accumulated depreciation R'000	2015 Carrying value R'000	2014 Cost R'000	2014 Accumulated depreciation R'000	2014 Carrying value R'000
Computer equipment	**87**	**(87)**	**–**	87	(87)	–
Computer software	**33**	**(33)**	**–**	33	(33)	–
Motor vehicles	**353**	**(135)**	**218**	353	(65)	288
Office equipment	**4**	**(4)**	**–**	–	–	–
Total	**477**	**(259)**	**218**	473	(185)	288

Reconciliation of property, plant and equipment
Group – 2015

	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Disposals R'000	Depreciation R'000	Total R'000
Broadcast mast	**–**	**4 791**	**–**	**–**	**(40)**	**4 751**
Buildings	**2 504**	**1 409**	**–**	**–**	**(59)**	**3 854**
Computer equipment	**1 791**	**887**	**–**	**(73)**	**(895)**	**1 710**
Computer software	**240**	**1 187**	**–**	**–**	**(171)**	**1 256**
Furniture and fixtures	**994**	**240**	**109**	**(4)**	**(340)**	**999**
Laboratory equipment	**3 443**	**40**	**–**	**–**	**(692)**	**2 791**
Land	**3 470**	**–**	**–**	**–**	**–**	**3 470**
Leasehold improvements	**12 639**	**306**	**–**	**–**	**(1 809)**	**11 136**
Motor vehicles	**566**	**463**	**–**	**–**	**(209)**	**820**
Office equipment	**324**	**65**	**–**	**(3)**	**(100)**	**286**
Plant and machinery	**38 975**	**7 709**	**–**	**(105)**	**(3 453)**	**43 126**
Studio equipment	**–**	**2 802**	**–**	**–**	**(44)**	**2 758**
Vessels	**73 320**	**14 237**	**–**	**(729)**	**(10 363)**	**76 465**
	138 266	**34 136**	**109**	**(914)**	**(18 175)**	**153 422**

2. PROPERTY, PLANT AND EQUIPMENT *continued*

Reconciliation of property, plant and equipment

Group – 2014

	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Disposals R'000	Depreciation R'000	Total R'000
Buildings	2 536	–	–	–	(32)	2 504
Computer equipment	1 652	980	113	(93)	(861)	1 791
Computer software	166	197	–	(18)	(105)	240
Furniture and fixtures	1 603	177	17	(563)	(240)	994
Laboratory equipment	–	–	3 620	–	(177)	3 443
Land	3 470	–	–	–	–	3 470
Leasehold improvements	5 553	658	7 602	–	(1 174)	12 639
Motor vehicles	684	638	–	(475)	(281)	566
Office equipment	330	99	13	(25)	(93)	324
Plant and machinery	39 963	1 091	192	–	(2 271)	38 975
Vessels	70 933	14 438	–	(15)	(12 036)	73 320
	126 890	18 278	11 557	(1 189)	(17 270)	138 266

Reconciliation of property, plant and equipment

Company – 2015

	Opening balance R'000	Depre-ciation R'000	Total R'000
Motor vehicles	288	(70)	218

Reconciliation of property, plant and equipment

Company – 2014

	Opening balance R'000	Additions R'000	Depre-ciation R'000	Total R'000
Motor vehicles	–	353	(65)	288

Pledged as security

Refer to notes 15 and 19 for further details on security provided over the above assets. In relation to the company the total carrying amount of the motor vehicles are subject to the finance lease obligation, refer to note 20.

Capital commitments

Refer to note 39 for details relating to capital commitments.

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Assets subject to finance lease (carrying amount)				
Motor vehicles	**218**	288	**218**	288

Details of properties

15 Mail Street, Epping, Cape Town and measures 463 sqm (Sectional title unit 753), Title Deed ST25977/2008 and Overstrand Municipality, Erf 1727 measuring 3.7 hectares, Title Deed T455052/2002 and Erf 3819 measuring 6 hectares, Title Deed T160/1938.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

Insurance

Comprehensive cover is taken out in relation to property, plant and equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

3. GOODWILL

Group

	2015			2014		
	Cost R'000	Accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated impairment R'000	Carrying value R'000
Goodwill	71 271	(14 439)	56 832	69 908	(14 439)	55 469

Reconciliation of goodwill
Group – 2015

	Opening balance R'000	Additions through business combi-nations R'000	Total R'000
Goodwill	55 469	1 363	56 832

Reconciliation of goodwill
Group – 2014

	Opening balance R'000	Additions through business combi-nations R'000	Other changes R'000	Total R'000
Goodwill	37 325	18 074	70	55 469

Goodwill acquired through business combinations has been allocated to individual cash-generating units for impairment testing as follows:

	Group		Company	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Technology Division	15 615	15 615	–	–
Events and Tourism Division	6 151	4 788	–	–
Fishing Division	18 165	18 165	–	–
Biotechnology Division	16 901	16 901	–	–
	56 832	55 469	–	–

Goodwill during the year under review arises from the change in ownership of Magic 828 (Pty) Ltd, which has been allocated to the Events and Tourism cash-generating unit as reflected above.

Refer to note 25 for details of impairment testing.

Refer to note 45 for details of the business combination.

4. INTANGIBLE ASSETS

Group

	2015 Cost R'000	2015 Accumulated amortisation R'000	2015 Carrying value R'000	2014 Cost R'000	2014 Accumulated amortisation R'000	2014 Carrying value R'000
Biosimilar drug under development	150 530	(2 891)	147 639	154 529	(165)	154 364
Fishing quotas	1 217	(1 021)	196	1 217	(783)	434
Licences and technologies	20 074	(15 185)	4 889	5 484	(119)	5 365
Novel compounds	135 107	–	135 107	135 107	–	135 107
Pharmaceutical dossiers	68 353	(25 500)	42 853	64 741	(23 800)	40 941
Radio licence	8 865	–	8 865	–	–	–
Software development	12 625	(12 554)	71	12 625	(12 554)	71
Trademarks	181	(104)	77	181	(96)	85
Total	**396 952**	**(57 255)**	**339 697**	373 884	(37 517)	336 367
Company						
Trademarks	51	(21)	30	51	(18)	33

Reconciliation of intangible assets
Group – 2015

	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Internally generated R'000	Amortisation R'000	Impairment loss R'000	Total R'000
Biosimilar drug under development	154 364	–	–	–	(659)	(6 066)	147 639
Fishing quotas	434	–	–	–	(238)	–	196
Licences and technologies	5 365	–	–	–	(476)	–	4 889
Novel compounds	135 107	–	–	–	–	–	135 107
Pharmaceutical dossiers	40 941	1 615	–	1 997	(1 700)	–	42 853
Radio licence	–	–	8 865	–	–	–	8 865
Software development	71	–	–	–	–	–	71
Trademarks	85	–	–	–	(8)	–	77
	336 367	1 615	8 865	1 997	(3 081)	(6 066)	339 697

Reconciliation of intangible assets
Group – 2014

	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Amortisation R'000	Total R'000
Biosimilar drug under development	–	–	154 529	(165)	154 364
Fishing quotas	723	–	–	(289)	434
Licences and technologies	–	–	5 484	(119)	5 365
Novel compounds	–	–	135 107	–	135 107
Pharmaceutical dossiers	11 900	–	30 741	(1 700)	40 941
Software development	71	–	–	–	71
Trademarks	89	4	–	(8)	85
	12 783	4	325 861	(2 281)	336 367

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

4. INTANGIBLE ASSETS *continued*

Reconciliation of intangible assets

Company – 2015	**Opening balance R'000**	**Amortisation R'000**	**Total R'000**
Trademarks	**33**	**(3)**	**30**

Reconciliation of intangible assets

Company – 2014			
Trademarks	35	(2)	33

OTHER INFORMATION

Fishing quotas

Fishing quotas are for commercial fishing rights purchased. These are held in the Food and Fishing Division.

Biosimilar drug under development

Development costs were incurred in developing an improved yield for recombinant human erythropoietin production process. The intangible asset does not have an indefinite useful life and the remaining period is seven months.

Internally generated intangible assets were recognised through business combination of Genius Biotherapeutics which includes granulocyte colony stimulating factor. These intangible assets are not yet ready for use, therefore not amortised. Amortisation will commence when the product is ready for launch into the market. The product has been tested for impairment.

Licences and technologies

The group has the right to develop, manufacture and market a Recombinant and Human Granulocyte Colony Stimulating Factor granted by Solidago AG for global and local markets. The intangible assets do not have indefinite useful lives and the remaining period is 127 months.

Novel technologies

Internally generated intangible assets were recognised through business combination of Genius Biotherapeutics which includes dendretic cell vaccines ("DCV"). The project is in development and is not ready for pharmaceutical use, therefore not amortised. Amortisation will commence when the product is ready for launch into the market. The novel compounds were tested for impairment.

The research and development project has achieved success with regards to progress in the technology. Funding in relation to the project has been renewed and an additional R5,4 million has been awarded to expand our focus.

Pharmaceutical dossiers

Twenty six pharmaceutical dossiers are held by Sekpharma (Pty) Ltd which includes Betnovate, Dermovate and Fortum. Additionally through the business combination of Genius Biotherapeutics, a pharmaceutical dossier was acquired under the registered product, Repotin.

Software development costs

Software development costs consist of internally generated software and purchased software are held in the Technology Division.

Trademarks

South Atlantic Lobster and Sea Diamond abalone brands are well established in the USA and Far East respectively. These brands are held in the Food and Fishing Division.

All other patents and trademarks are internally generated.

Refer to note 25 in relation to impairments.

4. INTANGIBLE ASSETS *continued*

Other information

Radio licence

Radio licences are recorded as assets for rights acquired under licence agreements. Licences acquired in a business combination are recognised at fair value at acquisition date, 20 July 2015. The radio licences are carried at cost and are not subject to amortisation. Radio broadcasting licences are issued by the Independent Broadcasting Authority of South Africa (ICASA). Due to restrictions under South African legislation these licences are not transferable. The licence operating agreements are expected to be renewed, hence the indefinite useful life. The carrying values of these licences are tested annually for impairment.

Intangibles with indefinite useful lives

The "New Promex" brand was disposed of during the year under review, which was reflected under non-current assets held for sale.

The radio licence has been fair valued at the date of acquisition of Magic 828 resulting in the recognition of the intangible asset during the year under review.

The average remaining useful life of intangibles is indicated below:

Software development costs have a remaining amortisation period of between one and 10 years.
Actual useful life: 10 years.

Patents and trademarks have a remaining amortisation period of between one and 10 years.
Actual useful life: 10 years.

Amortisation of intangible assets has been included in operating expenses in the statement of comprehensive income. Refer to note 25 for details on impairment tests.

5. INVESTMENTS IN SUBSIDIARIES

Company

The investments in subsidiaries have been designated as at fair value through profit and loss.

	Carrying amount 2015 R'000	Carrying amount 2014 R'000
Investments in subsidiaries	1 006 948	810 469

Breakdown of investment in subsidiaries are as follows:

	2015 R'000	2014 R'000
Sekpharma (Pty) Ltd	1 000	22 822
Sekunjalo Technology Solutions Ltd	22 412	–
African Biotechnological and Medical Innovation Investments (Pty) Ltd	143 100	128 758
AEEI Events and Tourism (Pty) Ltd	2 622	–
Sekunjalo Industrial Holdings (Pty) Ltd	410 042	349 348
Kilomax (Pty) Ltd	202 437	210 653
Sekunjalo Properties (Pty) Ltd	2 428	2 449
Sekunjalo Consumer Products (Pty) Ltd	222 907	96 439
	1 006 948	810 469

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

5. INVESTMENTS IN SUBSIDIARIES *continued*

Subsidiaries with less than 50% share capital held

The Group holds less than 50% of the issued share capital in Saratoga Software (Pty) Ltd. The Group has consolidated Saratoga Software (Pty) Ltd as it controls the company because of additional voting powers granted to the parent company in the shareholders' agreement. The effective holding in Saratoga Software (Pty) Ltd is 40% (2014: 40%).

The Group holds 49.99% of the issued share capital in Genius Biotherapeutics. The Group has consolidated Genius Biotherapeutics due to meeting the criteria per IFRS 10. As a result the Group has control of Genius Biotherapeutics and has been accounted for as a subsidiary.

The Group indirectly holds less than 50% of the issued share capital in Magic 828 (Pty) Ltd. The Group has previously recognised the investment as a joint venture in terms of the shareholders agreement and obtained control of Magic 828 (Pty) Ltd from 20 July 2015 as it acquired an additional 15% interest and additional voting powers granted in terms of the heads of agreement. The effective shareholding in Magic 828 (Pty) Ltd is 40%.

Refer to note 45 for detail on the business combination.

Refer to information in subsidiaries per note 44.

Refer to note 47 for further detail on fair value information.

Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

	Country of incorporation	**Ownership interest held by non-controlling interest**	
Subsidiary		**2015 %**	2014 %
Saratoga Software (Pty) Ltd Group	RSA	**60.00**	60.00
Genius Biotherapeutics	RSA	**50.01**	50.01
Magic 828 (Pty) Ltd	RSA	**59.99**	–

5. INVESTMENTS IN SUBSIDIARIES *continued*

2015

Summarised statement of financial position	Non-current assets R'000	Current assets R'000	Total assets R'000	Non-current liabilities R'000	Current liabilities R'000	Total liabilities R'000	Carrying amount of non-controlling interest R'000
Saratoga Software (Pty) Ltd Group	14 152	27 045	41 197	801	13 409	14 210	2 666
Genius Biotherapeutics	344 620	604	345 224	230 338	1 040	231 378	71 990
Magic 828 (Pty) Ltd	178	418	596	1 786	132	1 918	1 806
Total	358 950	28 067	387 017	232 925	14 581	247 506	76 462
Non-controlling interest in all other subsidiaries							15 981
Non-controlling interest per statement of financial position							92 443

Summarised statement of comprehensive income	Revenue R'000	Profit/(loss) before tax R'000	Tax expense R'000	Profit/(loss) R'000	Total comprehensive income R'000	Profit/(loss) allocated to non-controlling interest R'000
Saratoga Software (Pty) Ltd Group	112 203	9 713	(1 819)	7 894	7 894	1 284
Genius Biotherapeutics	386	(26 056)	1 689	(24 367)	(24 367)	(11 338)
Magic 828 (Pty) Ltd	–	(2 478)	(40)	(2 518)	(2 518)	(490)
Total	112 589	(18 821)	(170)	(18 991)	(18 991)	(10 544)
Profit or loss allocated to non-controlling interest of other subsidiaries						6 903
Total profit or loss allocated to non-controlling interest						(3 641)

Summarised statement of cash flows	Cash flow from operating activities R'000	Cash flow from investing activities R'000	Cash flow from financing activities R'000	Net increase in cash flow R'000	Dividends paid to non-controlling interest R'000
Saratoga Software (Pty) Ltd Group	3 936	(5 930)	(2 844)	(4 838)	(1 579)
Genius Biotherapeutics	(16 921)	16 875	–	(46)	–
Magic 828 (Pty) Ltd	(1 873)	(109)	2 074	92	–
Total	(14 858)	10 836	(770)	(4 792)	(1 579)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

5. INVESTMENTS IN SUBSIDIARIES *continued*

2014

Summarised statement of financial position	Non-current assets R'000	Current assets R'000	Total assets R'000	Non-current liabilities R'000	Current liabilities R'000	Total liabilities R'000	Carrying amount of non-controlling interest R'000
Saratoga Software (Pty) Ltd Group	14 314	25 133	39 447	474	16 461	16 935	13 798
Genius Biotherapeutics	17 571	524	18 095	84 233	845	85 078	83 327
Total	31 885	25 657	57 542	84 707	17 306	102 013	97 125
Non-controlling interest in all other subsidiaries							(1 089)
Non-controlling interest per statement of financial position							96 036

Summarised statement of comprehensive income	Revenue R'000	Profit before tax R'000	Tax expense R'000	Profit/(loss) R'000	Total compre-hensive income R'000	Profit/(loss) allocated to non-controlling interest R'000
Saratoga Software (Pty) Ltd Group	100 707	9 331	(1 996)	7 336	7 336	4 804
Genius Biotherapeutics	–	(5 480)	–	(5 480)	(5 480)	(3 544)
Total	100 707	3 851	(1 996)	1 856	1 856	1 260
Profit or loss allocated to non-controlling interest of other subsidiaries						4 371
Total profit or loss allocated to non-controlling interest						5 631

Summarised statement of cash flows	Cash flow from operating activities R'000	Cash flow from investing activities R'000	Cash flow from financing activities R'000	Net increase/(decrease) in cash flow R'000	Dividends paid to non-controlling interest R'000
Saratoga Software (Pty) Ltd Group	11 749	(983)	(5 021)	5 745	1 148
Genius Biotherapeutics	(15 209)	(2 003)	15 466	(1 746)	–
Total	(3 460)	(2 986)	10 445	3 999	1 148

Other

The disposal in relation to the sale of Sekunjalo Capital (Pty) Ltd is reflected in note 48.

Details of subsidiaries are available from the company secretary. Refer to note 44 for the full list of subsidiaries.

6. INVESTMENTS IN ASSOCIATES

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

Group

Name of company	**Ownership interest 2015 %**	Ownership interest 2014 %	**Carrying amount 2015 R'000**	Carrying amount 2014 R'000
Emergent Energy	**25.00**	25.00	**9**	–

Refer to note 43 reflecting the activities performed by associates.

ASSOCIATES

The following associates are held by the Group:

	Country of incorporation	Method	**% Ownership interest 2015 %**	% Ownership interest 2014 %
Genius Biotherapeutics	RSA	Equity	**–**	–

African Biotechnological and Medical Innovations Investments (Pty) Ltd holds an investment in Genius Biotherapeutics. Up to 11 June 2014 this investment was accounted for as an associate and subsequently accounted for as a subsidiary. It was carried at cost less accumulated losses from Genius Biotherapeutics.

Refer to note 45 on detail of the business combination.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

6. INVESTMENTS IN ASSOCIATES *continued*

Summarised financial information of associates

	Genius Biotherapeutics		Emergent Energy (Pty) Ltd		Total	
Summarised statement of comprehensive income	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Revenue	**-**	–	**18 960**	9 603	**18 960**	9 603
Other income and expenses	**-**	(12 360)	**(17 788)**	(10 463)	**(17 788)**	(22 823)
Profit (loss) from continuing operations	**-**	(12 360)	**1 172**	(860)	**1 172**	(13 220)
Total comprehensive income	**-**	(12 360)	**1 172**	(860)	**1 172**	(13 220)
Summarised statement of financial position						
Assets						
Non-current	**-**	–	**1 329**	578	**1 329**	578
Current	**-**	–	**10 560**	2 435	**10 560**	2 435
Total assets	**-**	–	**11 889**	3 013	**11 889**	3 013
Liabilities						
Non-current	**-**	–	**971**	1 752	**971**	1 752
Current	**-**	–	**9 569**	2 410	**9 569**	2 410
Total liabilities	**-**	–	**10 540**	4 162	**10 540**	4 162
Total net assets	**-**	–	**1 349**	(1 149)	**1 349**	(1 149)
Reconciliation of net assets to equity accounted investments in associate						
Cumulative unrecognised losses	**-**	–	**-**	287	**-**	287
Profit for the year	**-**	–	**(337)**	–	**(337)**	–
Portion of net assets	**-**	–	**346**	(287)	**346**	(287)
Carrying value of investment in associate	**-**	–	**9**	–	**9**	–
Investment at beginning of period	**-**	112 382	**-**	–	**-**	112 382
Gain on deemed disposal	**-**	22 556	**-**	–	**-**	22 556
Change in control	**-**	(128 759)	**-**	–	**-**	(128 759)
Share of profit/(loss)	**-**	(6 179)	**9**	–	**9**	(6 179)
Investment at end of period	**-**	–	**9**	–	**9**	–

6. INVESTMENTS IN ASSOCIATES *continued*

Summarised financial information of associates *continued*

The summarised information presented above reflects the financial statements of the associates after adjusting for differences in accounting policies between the group and the associate.

Emergent Energy (Pty) Ltd is a company incorporated and operates principally in South Africa. The investment in associate is measured using the equity method. The summarised information presented above reflects the financial statements of the associates.

Refer to note 47 for detail on assumptions and methods used to determine fair value.

Summary of associate's separately disclosed financial information in relation to Emergent Energy (Pty) Ltd are disclosed as follows:

	2015 R'000	2014 R'000
Cash and cash equivalents	**4 072**	476
Depreciation and amortisation	**64**	131
Interest income	**66**	14
Interest expense	**47**	158
Income tax	**126**	39

Restrictions relating to associates

There are currently no restrictions relating to the associate.

Unrecognised share of losses of associates

The Group has not recognised its share of losses of Emergent Energy (Pty) Ltd, as the Company has no obligation for any losses of the associate. The total unrecognised losses for the current year amount to Rnil (2014: R859 861).

Investments with more than 20% holding not considered as significant influence

The Group holds a 30% equity interest in British Telecom Communication Services South Africa (Pty) Ltd. The Group also holds a 5% voting rights Saab SA (Pty) Ltd. These investment are not accounted for as associates as the Group does not have significant influence as stipulated in the shareholders' agreement. The directors were appointed mainly to serve in an advisory capacity and they provide guidance to their foreign counterparts about how business operates in South Africa. The directors are not involved in the day-to-day operational activities of these investments.

7. JOINT ARRANGEMENTS

Joint operations

The following joint operations are held in the Group:

	Country of incor-poration	**Ownership interest**	
		2015 %	2014 %
Premier – BCP Hake	South Africa	**48**	48
Premier – Seacat	South Africa	**50**	50
Bloudam	South Africa	**38**	38

Refer to note 42 reflecting the activities performed by joint ventures.

Premier – BCP Hake Joint Venture is a jointly controlled operation in the hake fishing sector.

Premier – Seacat Joint Venture is a jointly controlled operation in the squid fishing sector. The operation jointly controls a vessel with external quota holders.

Bloudam Joint Venture is a jointly controlled operation in the west coast rock lobster sector. The operation jointly controls a vessel with external quota holders.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

7. JOINT ARRANGEMENTS *continued*

Joint ventures

The following table lists all of the joint ventures in the Group:

Group

Name of company	Held by	Ownership interest 2015 %	Ownership interest 2014 %	Carrying amount 2015 R'000	Carrying amount 2014 R'000
AmetHst (Pty) Ltd*	Health Systems (Pty) Ltd	–	50.00	–	–
Premier Select (Pty) Ltd	Premier Fishing (Pty) Ltd	50.00	50.00	–	–
Exaro HST Ltd	Health Systems (Pty) Ltd	50.00	50.00	–	–

* Liquidated during the year under review.

Summarised financial information of joint ventures
2015

Summarised statement of comprehensive income	Depreciation and amortisation R'000	Other income and operating expenses R'000	Profit/(loss) from continuing operations R'000	Total comprehensive income R'000
Premier Select (Pty) Ltd	–	(25)	(25)	(25)
Exaro HST Ltd	(63)	(922)	(984)	(984)
Total	**(63)**	**(947)**	**(1 009)**	**(1 009)**

Summarised statement of financial position	Non-current assets R'000	Cash and cash equivalents R'000	Other current assets R'000	Total current assets R'000	Total assets R'000
Assets					
Premier Select (Pty) Ltd	25	88	107	195	220
Exaro HST Ltd	311	33	–	33	344
Total	**336**	**121**	**107**	**228**	**564**

	Non-current financial liabilities* R'000	Total non-current liabilities R'000	Other current liabilities R'000	Total current liabilities R'000	Total liabilities R'000
Liabilities					
Premier Select (Pty) Ltd	722	722	45	45	767
Exaro HST Ltd	–	–	924	924	924
Total	**722**	**722**	**969**	**969**	**1 691**

* Current and non-current financial liabilities are expressed in the table above, excluding trade and other payables and provisions. Trade and other payables and provisions are included in other non current liabilities and other current liabilities.

7. JOINT ARRANGEMENTS *continued*

Reconciliation of net assets to equity accounted investments in joint ventures	Total net assets R'000	Interest in joint venture at % ownership R'000	Accumulated unrecognised losses R'000	Investment in joint venture R'000
Premier Select (Pty) Ltd	**(546)**	**(273)**	**273**	**–**
Exaro HST Ltd	**(580)**	**–**	**–**	**–**
	(1 126)	**(273)**	**273**	**–**

2014

Summarised statement of comprehensive income	Revenue R'000	Other income and operating expenses R'000	Loss from continuing operations R'000	Total comprehensive income R'000
Premier Select (Pty) Ltd	–	(7)	(7)	(7)
AmetHst (Pty) Ltd	412	(355 133)	(354 721)	(354 721)
Exaro HST Ltd	–	(1 932)	(1 932)	(1 932)
	412	(357 072)	(356 660)	(356 660)

Summarised statement of financial position	Non-current assets R'000	Cash and cash equivalents R'000	Other current assets R'000	Total current assets R'000	Total assets R'000
Assets					
Premier Select (Pty) Ltd	31	89	107	196	227
AmetHst (Pty) Ltd	–	–	206	206	206
Exaro HST Ltd	394	–	–	–	394
Total	425	89	313	402	827

	Non-current financial liabilities* R'000	Total non-current liabilities R'000	Other current liabilities R'000	Total current liabilities R'000	Total liabilities R'000
Liabilities					
Premier Select (Pty) Ltd	703	703	45	45	748
Premier Select (Pty) Ltd	10 682	10 682	705 953	705 953	716 635
Exaro HST Ltd	3 197	3 197	–	–	3 197
Total	14 582	14 582	705 998	705 998	720 580

* Current and non-current financial liabilities are expressed in the table above, excluding trade and other payables and provisions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

7. JOINT ARRANGEMENTS *continued*

Reconciliation of net assets to equity accounted investments in joint ventures	Total net assets R'000	Interest in joint venture a % at ownership R'000	Accumulated unrecognised losses R'000
Premier Select (Pty) Ltd	(520)	(260)	260
AmetHst (Pty) Ltd	–	–	–
Exaro HST Ltd	(2 803)	(1 401)	1 401
	(3 323)	(1 661)	1 661

Restrictions relating to joint ventures
There are currently no restrictions relating to the joint ventures.

Exaro HST Ltd is a jointly controlled entity and is incorporated and operates principally in West Africa. The investment in the joint venture is measured using the equity method. No active market exists for this investment.

AmetHst (Pty) Ltd is a jointly controlled entity and is incorporated and operates principally in South Africa. The investment in the joint venture is measured using the equity method.

The liquidation of AmetHst (Pty) Ltd commenced on 6 October 2014 and no further contingencies or commitments are expected apart from the costs associated with the liquidation. The investment has thus been fully impaired.

8. LOANS TO/(FROM) GROUP COMPANIES

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Loans to/from Group companies				
Loans from subsidiaries	**–**	–	**(66 215)**	(40 822)
	–	–	**200 875**	159 799
Loans to subsidiaries	**–**	–	**244 317**	255 713
Impairments of loans to subsidiaries	**–**	–	**(43 442)**	(95 914)
Total	**–**	–	**134 660**	118 977
Non-current assets	**–**	–	**147 490**	112 826
Current assets	**–**	–	**53 385**	46 973
Non-current liabilities	**–**	–	**(66 215)**	(40 822)
	–	–	**134 660**	118 977
The above loans are all unsecured, bears interest at rates determined between parties from time to time and have no fixed terms of repayment.				
Payment has been deferred for loan amounts as follows:				
• Loans from subsidiaries	**–**	–	**(66 215)**	(40 822)
• Loans to subsidiaries	**–**	–	**244 317**	255 713
	–	–	**178 102**	214 891

Credit quality of loans to Group companies
The loans are advanced to Group companies for either capital investment or working capital needs. All advances are in line with approved divisional budgets. The risk of default is therefore based on the success of divisional trading.

Other than loans that have been impaired which have low credit quality, credit quality on all other loans is considered to be high.

Fair value of loans to and from Group companies
The carrying value of the above loans approximates fair value and the amount demandable for the loans.

8. LOANS TO/(FROM) GROUP COMPANIES *continued*

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Reconciliation of allowance for impairment of loans to Group companies				
Opening balance	**–**	–	**95 914**	96 377
Allowance for impairment	**–**	–	**38 357**	9 042
Amounts written off as uncollectable	**–**	–	**(36 046)**	–
Reversal of previously impaired loans	**–**	–	**(54 783)**	(9 505)
	–	–	**43 442**	95 914

Loans are impaired to the extent to which the recoverability of the loan in a five-year period cannot be demonstrated to the satisfaction of the directors of the company. During the year under review, interest has been charged on interest-free loans amounting to R9 212 506 in respect of the effect of discounting.

The recoverable amount was determined by projecting estimated future cash flows and discounting them at the original effective interest rate.

The following assumptions were used:
- Pre-tax discount rates 10.5%
- Number of years – five years

Applicable rates

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Interest-free	**–**	–	**112 768**	141 533
Prime overdraft rate	**–**	–	**(3 230)**	(3 137)
Prime overdraft plus 1%	**–**	–	**–**	84 233
Prime overdraft less 1.5%	**–**	–	**(35 690)**	(35 156)
Prime overdraft less 2%	**–**	–	**97 042**	–
Prime overdraft plus 3%	**–**	–	**29 848**	25 482
Prime overdraft plus 5%	**–**	–	**(22 635)**	1 936

Loans subordinated
Loans amounting to R227 386 912 (2014: R245 340 121) have been subordinated until such time as the assets of the counterparty fairly exceed the liabilities fairly valued.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

9. OTHER LOAN RECEIVABLES

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Interest-bearing loans The loans are unsecured and have no fixed terms of repayment. Payment has been deferred for 12 months from statement of financial position date. The loans accrue interest at varying interest rates linked to the prime interest rate.	**1 484**	479	**–**	–
Non-interest-bearing loans The above loans are unsecured and are repayable on demand. The effect of discounting amounted to R765 586.	**44 974**	35 561	**5 888**	4 526
Impairment of loans	**(33 442)**	(33 730)	**(4 238)**	(4 526)
	13 016	2 310	**1 650**	–
Non-current assets	**5 282**	2 065	**–**	–
Current assets	**7 734**	245	**1 650**	–
	13 016	2 310	**1 650**	–

Credit quality of other loan receivables

The credit quality of loans receivable that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. No defaults have occurred in the past. Credit quality is considered to be high for interest bearing loans and low for non-interest-bearing loans.

Fair value of other loan receivables

The carrying value of the loans approximate fair value as market-related interest rates are charged on outstanding amounts. Non-interest-bearing loans have been impaired to the recoverable amount which approximates the fair value of the amounts receivable.

Reconciliation of allowance for impairment of other loan receivables

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Opening balance	**33 730**	62 876	**4 526**	3 681
Allowance for impairment	**–**	1 281	**–**	845
Reversal of impairment due to change in control	**–**	(30 427)	**–**	–
Reversal of impairments	**(288)**	–	**(288)**	–
	33 442	33 730	**4 238**	4 526

Loan receivables are impaired to the extent to which recoverability of the asset over a five-year period cannot be demonstrated to the satisfaction of the directors of the Group.

10. OTHER FINANCIAL ASSETS

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
At fair value through profit or loss – designated				
Investments in unlisted public companies	**286**	2 106	**286**	2 106
Investment in unlisted private companies	**200 591**	235 983	**–**	27 025
Investment in Saab SA (Pty) Ltd of R20 000 000 was transferred to non-current assets held for sale as per note 16.				
A fair value adjustment decreasing the investment by R7 024 886 was recognised during the year.				
Investment in listed public companies	**323 122**	188 858	**–**	–
The unbundling of the shares held in Pioneer Foods Group resulted in the acquisition of 1 589 998 shares in Quantum Foods Ltd. As a result, a dividend in specie of R10 647 499 was obtained and disclosed in note 27.				
Cadiz Life Investment Enterprise Development Fund	**985**	–	**–**	–
Investment is due to mature on 31 July 2020.				
Total investments at fair value through profit and loss	**524 984**	426 947	**286**	29 131
Non-current assets				
Fair value through profit and loss designated	**524 984**	426 947	**286**	29 131

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 information

Refer to note 47 for detail on assumptions and methods used to determine fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

11. DEFERRED TAX

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Deferred tax liability				
Accelerated capital allowances on property, plant and equipment	**(23 803)**	(25 274)	**–**	–
Shipping allowance	**(30 846)**	(24 180)	**–**	–
Prepaid expenses	**(1 392)**	(983)	**–**	–
Fair value adjustments on other assets	**(92 832)**	(70 685)	**(3 786)**	(5 414)
Fair value adjustments on subsidiaries	**–**	–	**(144 962)**	(108 196)
Intangible assets	**(90 142)**	(89 367)	**–**	–
Total deferred tax liability	**(239 015)**	(210 489)	**(148 748)**	(113 610)
Deferred tax asset				
Provisions	**7 931**	6 116	**1 455**	1 225
Income received in advance	**1 723**	2 053	**–**	–
Operating lease liabilities and intangible assets	**626**	1 112	**–**	–
Deferred tax balance from temporary differences other than unused tax losses	**10 280**	9 281	**1 455**	1 225
Tax losses available for set-off against future taxable income	**5 882**	2 620	**–**	–
	16 162	11 901	**1 455**	1 225
Total deferred tax asset	**16 162**	11 901	**1 455**	1 225
Deferred tax liability	**(239 015)**	(210 489)	**(148 748)**	(113 610)
Deferred tax asset	**16 162**	11 901	**1 455**	1 225
Total net deferred tax liability	**(222 853)**	(198 588)	**(147 293)**	(112 385)
Reconciliation of deferred tax asset/(liability)				
At beginning of year	**(198 589)**	(115 223)	**(112 385)**	(106 214)
Accelerated capital allowances on property, plant and equipment	**697**	(532)	**–**	–
Fair value adjustment on other assets	**(22 147)**	(71 492)	**1 628**	897
Fair value adjustments on subsidiaries	**–**	–	**(36 766)**	(8 069)
Income received in advance	**(331)**	12	**–**	(59)
Intangible assets	**(81)**	640	**–**	–
Operating lease liabilities	**(406)**	472	**–**	–
Prepaid expenses	**(409)**	(172)	**–**	–
Provisions	**1 815**	1 658	**230**	1 060
Shipping allowance	**(6 665)**	(5 572)	**–**	–
Tax losses available for set-off against future taxable income	**3 263**	(8 380)	**–**	–
	(222 853)	(198 588)	**(147 293)**	(112 385)

The Group has disclosed the amount of a deferred tax asset and the nature of the evidence supporting its recognition, based on the following:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the Group has suffered a tax loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

11. DEFERRED TAX *continued*

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Unrecognised deferred tax asset				
Unused tax losses not recognised as deferred tax assets	**73 830**	58 064	**–**	–

Deferred tax acquired in a business combination

Deferred tax liability of R2 462 729 (2014: R89 366 949) relating to intangible assets acquired through business combination was recognised in the current year.

12. INVENTORIES

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Raw materials	**4 826**	2 900	**–**	–
Work in progress	**79**	–	**–**	–
Finished goods	**20 739**	16 720	**–**	–
Merchandise	**1 926**	209	**–**	–
Consumables	**3 933**	2 476	**–**	–
	31 503	22 305	**–**	–

Inventory amounting to R294 151 (2014: Rnil) was written down to net realisable value during the year under review.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Trade receivables	**71 833**	75 211	**15 569**	4 660
Employee costs in advance	**161**	93	**–**	–
Prepayments	**7 074**	4 181	**52**	58
Deposits	**603**	234	**–**	–
Value-added tax	**8 222**	4 968	**–**	–
Sundry customers	**1 362**	651	**–**	–
Other receivables	**21 782**	13 415	**–**	10
	111 037	98 753	**15 621**	4 728

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

13. TRADE AND OTHER RECEIVABLES *continued*

Trade and other receivables pledged as security

Trade and other receivables with a carrying amount of R44 581 403 (2014: R35 324 428) were pledged as security for overdraft facilities of R35 000 000 (2014: R32 065 000) of the Group.

Credit quality of trade and other receivables

Thirty nine per cent of the Group's trade and other receivables stem from sales within the fishing division. This division performs ongoing credit evaluations of the financial position of their customers. Before a new customer is approved for credit, a thorough credit check is performed by an independent external credit agency. The agency provides credit scores and credit ratings on each of their customers. In addition to this a recommended credit limit is provided by the credit agency. Additional internal ratings and credit limit checklist procedures are performed by management and the company's directors before a final credit limit is approved to their customers. The credit quality of trade and other receivables that are neither past due nor impaired is assessed by management, based on historical information about counterparty default ratings if available. Any customer that has exceeded their credit limit may not purchase goods unless full payment has been received from them. Over fifty percent of the divisions sales are to foreign customers the bulk of which pay in advance. The remainder normally get 60-day terms. Credit risk is low.

Forty six per cent of the Group's trade and other receivables stem from sales within the Technology division. Sixty percent of these sales stem from Health Systems Technologies (Pty) Ltd. Health Systems Technologies (Pty) Ltd sales are predominantly to state institutions. Recoverability from these customers are extremely good. The credit risk has been assessed as low by the divisional management at year-end based on recent credit payment history. Thirty three percent of sales within this division are largely concentrated to blue chip companies. The credit risk on the trade receivables balance was assessed by divisional management and is deemed to be low. Credit concentration is high as sales are to few customers however these are blue chip customers and there have been low defaults in the past.

Six per cent of the Group's trade and other receivables stem from sales within the Health Care division. The outstanding balance consists predominantly of amounts owed to Sekpharma (Pty) Ltd. The credit risk has been assessed as low by the divisional management at year end based on recent payment history.

The Events and Tourism division contributed seven per cent of the Group's trade and other receivables, of which thirty seven per cent stem from sales within Tripos Tourism Investments (Pty) Ltd. The nature, terms and conditions of sales made by the travel agent mitigate the risk of bad debt. The balance is from espAfrika (Pty) Ltd in respect of festivals managed locally and Magic 828 (Pty) Ltd for deposits relating to operating leases. Credit quality of foreign debtors in espAfrika (Pty) Ltd has been assessed as low as some amounts have not been recovered. On-going evaluation of all the debtors takes place. On an overall basis with the exception of foreign debtors in espAfrika (Pty) Ltd which have been impaired due to none payment, credit risk has been assessed as low by the divisional management.

The balance is the aggregate of trade and other receivables in the smaller group companies. Ongoing evaluation of the debtors takes place. The credit risk has been assessed as low by the divisional management at year-end.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group customer base consists of both foreign and local trade and other receivables.

The overall credit quality is considered to be high.

Other receivables

Other receivables comprises of amounts not invoiced to customers for landing costs in relation to our Food and Fishing Division, as well as amounts advanced to joint ventures and outside quotaholders on a short-term basis.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying value due to the short-term nature.

13. TRADE AND OTHER RECEIVABLES *continued*

Trade and other receivables past due but not impaired

Trade and other receivables for the Group which are less than three months past due are not considered to be impaired. At 31 August 2015, R22 951 606 (2014: R8 335 982) were past due but not impaired. Trade and other receivables which are less than three months past due in the Company are not considered to be impaired. At 31 August 2015, R2 322 215 (2014: R51 343) were past due but not impaired.

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

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
One month past due	**11 076**	3 160	**987**	–
Two months past due	**11 658**	3 372	**1 335**	51
Three months past due	**4 917**	1 854	**–**	–
The carrying amount of trade and other receivables are denominated in the following currencies:				
Rand	**103 181**	93 736	**–**	–
US dollar	**7 785**	10 376	**–**	–
Euro	**39**	–	**–**	–
Reconciliation of allowance for impairment of trade and other receivables				
Opening balance	**7 704**	6 729	**–**	402
Allowance for impairment	**2 634**	1 167	**–**	–
Allowance for impairment reversed	**–**	(192)	**–**	(402)
	10 338	7 704	**–**	–

The amounts above that have been impaired consist of amounts outstanding for more than three months.

The creation and release of the allowance for impairment of trade and other receivables have been included in operating expenses in the profit and loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The group does not hold any collateral as security.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

14. BIOLOGICAL ASSETS

Reconciliation of biological assets

Group – 2015

	Opening balance R'000	Disposals R'000	Changes in fair value, births and deaths R'000	Total R'000
Abalone	**36 014**	**(31 690)**	**41 838**	**46 162**

Reconciliation of biological assets

Group – 2014

Abalone	41 798	(37 528)	31 744	36 014

	2015	2014
Non-financial information		
Quantities on hand at year-end		
Abalone – kg	**112 795**	75 052

Pledged as security

The total carrying value of biological assets is pledged as security to Absa Bank. Refer to note 15 for further details.

Methods and assumptions used in determining fair value

For fair value information refer to note 47.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Cash on hand	**56**	47	**–**	3
Bank balances	**32 010**	47 071	**612**	46
Bank overdraft	**(13 419)**	(4 752)	**(4 690)**	(4 752)
	18 647	42 366	**(4 078)**	(4 703)
Current assets	**32 066**	47 118	**612**	49
Current liabilities	**(13 419)**	(4 752)	**(4 690)**	(4 752)
	18 647	42 366	**(4 078)**	(4 703)

15. CASH AND CASH EQUIVALENTS *continued*

The bank overdrafts in the Group are secured by:

- Unlimited guarantee by Premfresh Seafoods (Pty) Ltd, supported by a cession of loan accounts;
- Unlimited guarantee by Marine Growers (Pty) Ltd, supported by a cession of loan accounts;
- Unlimited guarantee by Sekunjalo Technology Solutions Ltd;
- Limited guarantee by Health Systems Technologies (Pty) Ltd;
- Unlimited guarantee by Premier Fishing SA (Pty) Ltd;
- Unlimited guarantee by African Equity Empowerment Investments Ltd;
- Negative pledge of assets by African Equity Empowerment Investments Ltd;
- Pledge and cession of shares in Sekunjalo Technology Solutions Ltd;
- Cession of USD CFC account held by Premier Fishing SA (Pty) Ltd;
- Cession of loan account by Sekunjalo Technology Solutions Ltd and Health Systems Technologies (Pty) Ltd;
- Cession of debtors by Premier Fishing SA (Pty) Ltd;
- Cession of loan account by Premfresh Seafoods (Pty) Ltd and Marine Growers (Pty) Ltd in Premier Fishing SA (Pty) Ltd to Absa Bank;
- Maritime Bond for R40 000 000 by Premier Fishing SA (Pty) Ltd over marine vessels with a carrying amount of R35 844 692;
- Second Maritime Bond for R4 400 000 by Premier Fishing SA (Pty) Ltd over marine vessels with an additional sum of R880 000;
- Second Maritime Bond for R6 100 000 by Premier Fishing SA (Pty) Ltd over marine vessels with an additional sum of R1 220 000;
- Special Notarial Bond Number BN23802/2008 for R3 450 000 by Premier Fishing SA (Pty) Ltd over fishing vessels Southern Knight and Southern Horizon;
- General Notarial Bond Number BN23803/2008 for R50 000 000 by Premier Fishing SA (Pty) Ltd over stock, movable assets, plant and equipment and vessel equipment; and
- First continuous covering mortgage bond by Premier Fishing SA (Pty) Ltd for R10 000 000 over erf 11, St. Helena Bay.
- Suretyship/Cession Loan dd 03/11/04, restricted to R100 000 by LOA Burt.
- Suretyship/Cession Loan dd 25/10/07, restricted to R200 000 by LOA Burt.
- Suretyship/Cession Loan dd 25/10/07, restricted to R100 000 by LOA Burt.

Guarantees are as follows:

- Nedbank: R182 000
- Other securities: Cession of Nedbank call counts and agreement to set off current account and foreign advance accounts
- Joint guarantee of R7 300 000 by AEEI Limited and Magic 828 (Pty) Ltd in favour of Absa Bank in relation to the instalment sale agreement
- First National Bank: R98 974

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

15. CASH AND CASH EQUIVALENTS *continued*

The guarantee with Absa Bank for the amount of R6,500,000, which comprised of a cash pledge in favour of First Rand Bank Limited which expired and was called on by the bank on 1 September 2014. This pledge was against an overdraft facility provided to AmetHst (Pty) Ltd which has commenced with liquidation.

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 external credit ratings (if available) or historical information about counterparty default rates. Cash and cash equivalents are held with reputable banking service providers. Absa Bank provides the majority of banking services used by the Group.

16. NON-CURRENT ASSETS HELD FOR SALE

The Group decided to dispose of assets that are no longer in use in the Health Care Division, as the operations utilising these assets were discontinued in 2008.

No impairments have been recorded during the year under review.

During the year under review, the Group decided to dispose of an investment in the Corporate Division.

On 19 May 2015, the Company announced it is in negotiations to dispose of its entire shareholding in Saab SA (Pty) Ltd, comprising of 313 "B" shares and 59 "C" shares being an effective shareholding of 5% for R20 million. However, due to certain restrictions the agreement has not been finalised by year end, and management is actively pursuing this investment subsequent to year-end. Refer to note 10 for decrease in fair value.

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Profit and loss				
Income	**1 852**	–	**–**	–
Expenses	**–**	–	**–**	–
Net profit before tax	**1 852**	–	**–**	–
Tax	**(519)**	–	**–**	–
	1 333	–	**–**	
Assets and liabilities				
Non-current assets held for sale				
Property, plant and equipment	**–**	1 352	**–**	–
Investments	**20 000**	–	**20 000**	–
Intangible assets	**–**	500	**–**	–
	20 000	1 852	**20 000**	–

17. SHARE CAPITAL

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Authorised				
10 000 000 "A" class ordinary shares of no par value (unlisted)	**100**	100	**100**	100
1 000 000 000 "B" class ordinary shares of no par value (listed)	**20**	20	**20**	20
	120	120	**120**	120
Issued				
491 339 484 (2014: 489 339 484) "B" class ordinary shares of no par value	**30**	30	**30**	30
Share premium	**403 147**	403 147	**403 147**	403 147
	403 177	403 177	**403 177**	403 177

In the prior year, there has been a change in the share capital with the conversion of the issued unlisted "A" class ordinary shares to listed "B" class shares.

18. RESERVE

A capital redemption reserve fund arose when a subsidiary had a share buy-back in the prior years.

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Capital Redemption Reserve Fund	**8 034**	8 034	**–**	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

19. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Held at amortised cost				
Bank borrowings The loans accrues interest linked to the prime overdraft rate and are repayable in monthly instalments over a three to five-year period. Including in the amount is an instalment sale agreement secured by a guarantee for R7 300 000 jointly by African Equity Empowerment Investments Ltd and Magic 828 (Pty) Ltd, as well as the studio equipment and broadcast mast listed in note 2 will serve as collateral in relation to the agreement.	**11 079**	5 601	**–**	–
Borrowings from other financial institutions The loan accrues interest linked to the prime overdraft rate and is secured as follows: • A joint and several limited suretyship provided by Rashid Ahmed Lombard, Malcom Louis Domingo and African Equity Empowerment Investments Limited; • Cession of encumbered current and future bank balances and debtors; • Cession and pledge of all shares held by the Billy Domingo Family Trust; Rashid Lombard Family Trust and Sekunjalo Media (Pty) Ltd	**–**	4 659	**–**	–
Redeemable cumulative preference shares The A preference shares to Rand Merchant Bank accrues interest at 82.5% of the prime interest rate. The B preference shares to Pioneer Foods accrues interest at 99% of the prime interest rate.	**97 272**	92 420	**–**	–
Loan from shareholder Interest accrues at the prime interest rate plus 3% – 5%. The loans are repayable within the next 12 months. The loan has been fully repaid on 11 September 2015.	**44 680**	53 292	**44 680**	53 292
Loan from Kaqala Media (Pty) Ltd The loan is unsecured, bears no interest and has no fixed terms of repayment. The loan will not be called upon in the next 12 months as per the shareholders agreement. An amount of R1 785 943 has been subordinated during the year under review.	**3 482**	–	**–**	–

19. OTHER FINANCIAL LIABILITIES *continued*

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Other borrowings The borrowings are unsecured, bears interest at rates agreed between parties and consists of loans to directors and other entities.	**1 896**	7 406	**103**	324
	158 409	163 378	**44 783**	53 616
Non-current liabilities				
Non-current portion of financial liabilities	**112 800**	135 445	**–**	31 400
Current liabilities				
Current portion of financial liabilities	**45 609**	27 933	**44 783**	22 216
	158 409	163 378	**44 783**	53 616
Secured	**153 179**	156 304	**44 680**	53 292
Unsecured	**5 230**	7 074	**103**	324
	158 409	163 378	**44 783**	53 616

The following represents the carrying value of the security for those borrowings:

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Property, plant and equipment	**87 053**	76 400	**–**	–
Biological assets	**46 162**	36 014	**–**	–
Trade and other receivables	**52 958**	34 387	**–**	–
	186 173	146 801	**–**	–
Floating rates	**56 327**	65 940	**44 680**	53 292
Fixed rates	**97 272**	92 420	**–**	–
Interest-free	**4 810**	5 017	**103**	324
Weighted average effective interest rate	**12.13%**	11.73%	**32.69%**	19.26%

At 31 August 2015, the carrying amount of borrowings approximates their fair value. Non-current interest-free borrowings approximate the amounts demandable. The effect of discounting is immaterial.

Refer to note 47 on detail and assumptions used for fair values.

There were no loan defaults during the current year or the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

20. FINANCE LEASE OBLIGATION

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Minimum lease payments due				
• within one year	**106**	106	**106**	106
• in second to fifth year inclusive	**124**	230	**124**	230
	230	336	**230**	336
Less: future finance charges	**(23)**	(46)	**(23)**	(46)
Present value of minimum lease payments	**207**	290	**207**	290
Present value of minimum lease payments due				
• within one year	**98**	83	**98**	83
• in second to fifth year inclusive	**109**	207	**109**	207
	207	290	**207**	290
Non-current liabilities	**109**	207	**109**	207
Current liabilities	**98**	83	**98**	83
	207	290	**207**	290

It is Group policy to purchase certain motor vehicles under finance leases.

The average lease term was two to five years and the average effective borrowing rate was 9% (2014: 9%).

Interest rates are linked to prime bank overdraft interest rate at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 2.

Defaults and breaches
There have been no defaults during the year under review.

21. PROVISIONS

Reconciliation of provisions
Group – 2015

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Profit warranties	**4 857**	**–**	**(1 535)**	**–**	**3 322**
Provision for leave pay	**5 455**	**6 419**	**(5 633)**	**(448)**	**5 793**
Provision for salary bonuses	**11 069**	**7 977**	**(9 568)**	**–**	**9 478**
Other provisions	**5 126**	**3 092**	**(3 243)**	**–**	**4 975**
	26 507	**17 488**	**(19 979)**	**(448)**	**23 568**

Reconciliation of provisions
Group – 2014

Profit warranties	2 306	2 551	–	–	4 857
Provision for leave pay	5 881	4 365	(4 039)	(752)	5 455
Provision for salary bonuses	5 989	11 327	(6 105)	(142)	11 069
Other provisions	7 193	3 357	(5 424)	–	5 126
	21 369	21 600	(15 568)	(894)	26 507

21. PROVISIONS *continued*

Reconciliation of provisions *continued*

Company – 2015

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Provision for leave pay	**195**	**437**	**(195)**	**437**
Provision for salary bonuses	**3 700**	**3 000**	**(2 535)**	**4 165**
	3 895	**3 437**	**(2 730)**	**4 602**

Reconciliation of provisions

Company – 2014

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Provision for leave pay	325	261	(144)	(247)	195
Provision for salary bonuses	–	3 700	–	–	3 700
	325	3 961	(144)	(247)	3 895

Profit warranties are provisions relating to the acquisition of investments where there are contingent payments based on profit targets.

Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to reporting date and the Group's leave policy. The above provisions represent management's best estimate of the Group's liability based on prior experience.

The provision for bonuses is provided for when they accrue to employees with reference to services rendered and are performance based up to the statement of financial position date. The provision represents management's best estimate of the Group's liabilities based on prior experience.

Other provisions mainly comprise of commission on exports, Competition Commission claims in total amounting to R2 611 898 (2014: R3 185 690) and claims made by South African Revenue Service over outstanding value-added tax in dispute amounting to R2 042 851 (2014: R1 882 812). The provision represents management's best estimate of the Group's liability based on expected cash flows as at 31 August 2015.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Trade payables	**45 429**	47 315	**1 015**	587
Amounts received in advance	**14 205**	15 678	**–**	–
Value-added tax	**4 676**	3 449	**269**	12
Accrued expenses	**21 170**	19 693	**6 656**	1 030
Other payables	**10 218**	12 738	**616**	–
	95 698	98 873	**8 556**	1 629

Fair value of trade and other payables

The fair value of trade and other payables approximates the carrying value due to their short-term nature.

Other payables consists of salary accruals, amounts owing to the South African Revenue Services and contract accruals.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

23. REVENUE

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Sale of goods	**393 288**	362 179	**–**	–
Rendering of services	**278 897**	257 895	**25 843**	18 269
Rental income	**–**	475	**–**	–
	672 185	620 549	**25 843**	18 269

24. OTHER INCOME

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Profit and loss on sale of assets and liabilities	**(201)**	(139)	**–**	–
Profit and loss on exchange differences	**192**	1 571	**–**	–
Administration and management fees received	**125**	117	**–**	–
Commissions received	**–**	20	**–**	–
Discount received	**314**	5	**–**	–
Recoveries	**1 023**	769	**–**	–
Other income	**2 142**	2 367	**9**	–
	3 595	4 710	**9**	–

25. IMPAIRMENT OF ASSETS

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Material impairment losses (recognised) reversed				
Loans to Group companies	**–**	–	**(2 024)**	(9 041)
The Group performs annual cash flow forecasts for its subsidiaries (cash-generating units) over a five-year period. This process forms the basis of testing the recoverability of loans advanced to Group companies. The recoverability for amounts for the loans to Sekpharma (Pty) Ltd and Sekunjalo Capital (Pty) Ltd were less than the carrying amounts of the loans. These loans were therefore impaired during the year under review. The recoverable value was based on its value in use, being the present value of expected cash inflows over a five-year period. The following assumptions were used: Pre-tax discount rates: 18% – 30% Number of years: 5 – 10 Growth rate: 4.5%				
Loans to Group companies	**–**	–	**18 737**	9 505
The net impairment reversal relates to the loans advanced to the Sekunjalo Technology Solutions Group, Sekunjalo Capital Group and AEEI Events and Tourism and the reversal was due to the recoverable amount exceeding the carrying amount of the loans. The reversal of impairment includes an amount of R36 045 950 as a result of the loan being written off during the year under review due to the sale of Sekunjalo Capital Group which occurred in June 2015. A portion of the loan impairment was therefore reversed. The recoverable value was based on its fair value less cost to sell.				
Other financial assets	**288**	(1 172)	**288**	(845)
The current year impairments relate to the recoverable amount which was determined by the sale of the Health Care assets. This process forms the basis of testing the recoverability of loans advanced to the associate company by assessing the recoverable amount less cost to sell. Refer to note 9 for the recoverable amount of the loan reflected as current. The following assumptions were used in the prior year: Pre-tax discount rates: 19% – 30% Number of years: 5 – 10 Growth rate: 4.5%				
	288	(1 172)	**17 001**	(381)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

25. IMPAIRMENT OF ASSETS *continued*

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Significant goodwill or significant intangible assets with indefinite useful lives	**(6 067)**	–	**–**	–
The Group performs an annual impairment test on goodwill based on cash-generating units ("CGU"). The recoverable amount for each of the CGUs to which goodwill is allocated has been determined based on the value in use using the discounted cash flow method. Goodwill has been allocated to each CGU as indicated in note 3. The following are the principal assumptions that were used to calculate the recoverable amounts for each CGU, based on previous experience.				
Management's key assumptions include stable profit margins, based on past experience in the market with reference to cash flow assumptions. The Group's management believes that this is the best available input for the purposes of forecasting the cash flows.				
Refer to note 3 for the allocation of the CGUs' goodwill is allocated to.				
Fishing Division Pre-tax discount rates: 17% – 22% Number of years: 5 Growth rate: 4.5%				
Events and Tourism Division Pre-tax discount rates: 27% – 29% Number of years: 5 Growth rate: 4.5%				
Technology Division Pre-tax discount rates: 23% – 26% Number of years: 5 Growth rate: 4.5%				
Health Care Division Pre-tax discount rates: 18% – 39% Number of years: 5 Growth rate: 4.5%				
Biotechnology Division Pre-tax discount rates: 19% – 30% Number of years: 5 – 10 Growth rate: 4.5%				
The recoverable value in relation to the intangible asset did not exceed the carrying values therefore an impairment was considered necessary in respect of the Biosimilar drug under development. Refer to note 4.				
For further detail on segmental information refer to note 41.				
Total impairment losses/(recognised) reversed	**(5 779)**	(1 172)	**17 001**	(387)

26. PROFIT BEFORE TAX

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Profit before tax for the year is stated after accounting for the following:				
Interest revenue	**–**	–	**19 617**	10 568
Operating lease charges				
Premises				
• Straight-lined amounts	**(10 561)**	(7 771)	**(2 792)**	(2 773)
Equipment				
• Contractual and straight-lined amounts	**(153)**	(146)	**(4)**	(4)
	(10 714)	(7 917)	**(2 796)**	(2 777)
Loss on disposal of property, plant and equipment	**(201)**	(139)	**–**	–
Gain on disposal of subsidiary	**3 436**	–	**–**	–
Impairment on intangible assets	**(6 067)**	–	**–**	–
Reversal of impairment on Group loans	**–**	–	**54 783**	9 505
Write-off of loan			**(36 046)**	
Impairment on loans to Group companies	**–**	–	**(2 024)**	(9 041)
(Impairment)/reversal on other financial assets	**288**	(1 172)	**228**	(845)
Profit on exchange differences	**191**	1 680	**–**	–
Gain on deemed disposal of equity accounted investments	**3 224**	–	**–**	–
Amortisation on intangible assets	**(3 081)**	(2 280)	**(3)**	(2)
Depreciation on property, plant and equipment	**(18 175)**	(17 270)	**(75)**	(65)
Employee costs	**(95 871)**	(86 624)	**(12 980)**	(13 044)
Research and development costs	**(360)**	(623)	**–**	–

27. INVESTMENT REVENUE

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Dividend revenue				
Listed public investments	**14 638**	2 401	**–**	–
Unlisted public investments	**10**	2 948	**15 000**	4 922
	14 648	5 349	**15 000**	4 922
Interest revenue				
Associates	**–**	5 434	**–**	–
Bank	**1 811**	1 372	**3**	4
Loans	**48**	–	**–**	–
Outside quota holders	**469**	246	**–**	–
Subsidiaries	**–**	–	**19 617**	10 568
	2 328	7 052	**19 620**	10 572
	16 976	12 401	**34 620**	15 494

28. FAIR VALUE ADJUSTMENTS

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Investment in subsidiaries	**–**	–	**196 479**	43 805
Other financial assets	**106 405**	46 303	**(8 845)**	(4 775)
	106 405	46 303	**187 634**	39 030

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

29. FINANCE COSTS

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Bank	**2 572**	3 448	**360**	328
Financial liabilities	**8 754**	8 276	**–**	–
Group companies	**–**	–	**6 333**	2 650
Other interest paid	**421**	157	**–**	67
Shareholder loans	**7 948**	7 283	**7 948**	7 283
	19 695	19 164	**14 641**	10 328

30. TAXATION

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Major components of the tax expense				
Current				
Local income tax – current period	**14 660**	11 798	**1 000**	122
Local income tax – recognised in current tax for prior periods	**(69)**	369	**178**	(33)
	14 591	12 167	**1 178**	89
Deferred				
Originating and reversing temporary differences	**21 900**	(6 408)	**34 908**	6 170
	36 491	5 759	**36 086**	6 259

Various subsidiaries have incurred operating losses which result in losses for tax purposes. Deferred tax assets have been raised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognised amount to R263 677 921 (2014: R207 371 763).

Refer to the deferred tax reconciliation under note 11 in relation to the movement reflected above.

Reconciliation of the tax expense	**%**	%	**%**	%
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	**28.00**	28.00	**28.00**	28.00
Effect on associate losses	**(0.05)**	1.60	**–**	–
Effect on capital gain inclusion in relation to fair value adjustments	**(5.33)**	(5.95)	**(7.38)**	(9.38)
Investment revenue	**(2.21)**	(1.41)	**(10.84)**	(10.38)
Net impairments	**–**	–	**(0.03)**	–
Legal fees	**0.47**	4.50	**0.84**	3.37
Donations and CSI	**0.42**	4.38	**1.09**	3.75
Consulting fees	**0.18**	0.09	**0.60**	0.12
Facility fees	**0.53**	–	**3.20**	–
Listing fees	**0.13**	0.26	**0.26**	0.32
Fines and penalties	**0.05**	0.42	**–**	0.36
Fair value adjustment on biological assets	**(1.53)**	–	**–**	–
Prior period under/over provision	**(0.01)**	0.34	**0.08**	(0.08)
Change in ownership	**(1.00)**	(26.91)	**–**	–
	19.65	5.32	**15.82**	16.08

31. HEADLINE EARNINGS PER SHARE

		Group			
		2015		2014	
		Gross R'000	**Net R'000**	Gross R'000	Net R'000
Earnings attributable to ordinary equity holders of the parent entity	IAS 33		**152 897**		96 802
Gain on deemed disposal of equity accounted investments	IAS 28	**(3 224)**	**(2 321)**	(22 556)	(18 350)
Impairment of intangible assets	IAS 38	**6 067**	**4 368**	–	–
Gain on disposal of subsidiary	IFRS 3	**(3 436)**	**(2 474)**	–	–
Loss on disposal of property, plant and equipment	IAS 16	**202**	**145**	139	100
Headline earnings			**152 615**		78 552
Weighted average number of shares ('000)			**491 339**		489 887
Fully diluted weighted average number of shares (R'000)			**491 339**		489 887
Basic earnings per share (cents)			**31.12**		19.76
Headline earnings per share (cents)			**31.06**		16.03
Diluted earnings per share (cents)			**31.12**		19.76
Diluted headline earnings per share (cents)			**31.06**		16.03

	Group		Company	
	Gross R'000	**Net R'000**	Gross R'000	Net R'000
32. CASH GENERATED FROM OPERATIONS				
Profit before taxation	**185 747**	**108 192**	228 131	38 920
Adjustment for:				
Depreciation and amortisation	**21 256**	**19 550**	78	68
Loss on sale of assets and liabilities	**201**	**139**	–	–
Profit on foreign exchange	**(191)**	**–**	–	–
Loss from equity accounted investments	**316**	**6 179**	–	–
Dividends received	**(14 648)**	**(5 349)**	(15 000)	(4 922)
Interest received	**(2 328)**	**(7 052)**	(19 620)	(10 572)
Finance costs	**19 695**	**19 164**	14 641	10 328
Fair value adjustments	**(106 405)**	**(46 303)**	(187 634)	(39 030)
Impairment loss/(reversal)	**5 779**	**1 172**	(52 759)	382
Movements in lease assets and accruals	**979**	**1 280**	–	–
Movements in provisions	**(2 939)**	**5 138**	707	3 570
Disposal of assets held for sale	**1 852**	**275**	–	–
Gain on deemed disposal of equity-accounted investment	**(3 224)**	**(22 556)**	–	–
Gain on disposal of subsidiary	**(3 436)**	**–**	–	–
Write-off of loan	**–**	**–**	36 049	–
Inventories	**(9 198)**	**(3 651)**	–	–
Trade and other receivables	**(12 193)**	**(27 901)**	(10 893)	(4 045)
Prepayments	**95**	**388**	95	–
Biological assets	**(10 148)**	**5 784**	–	–
Trade and other payables	**(3 366)**	**19 050**	6 927	(771)
	67 844	**73 499**	722	(6 072)
33. TAX PAID				
Balance at beginning of the year	**(6 159)**	**(3 835)**	112	(467)
Current tax for the year recognised in profit or loss	**(14 591)**	**(12 167)**	(1 178)	(89)
Adjustment in respect of businesses sold	**–**	**135**	–	–
Balance at end of the year	**6 419**	**6 159**	456	(112)
	(14 331)	**(9 708)**	(610)	(668)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

34. RELATED PARTIES

		Group		Company	
		2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Relationships					
Holding company	Sekunjalo Investments Holding (Pty) Ltd				
Subsidiaries	Refer to note 44				
Joint arrangements	Refer to note 42				
Associates	Refer to note 43				
Members of key management	Refer to note 35				
Common controlled entities	Cape Sunset Villas Sekunjalo Development Foundation The Survé Family Foundation Independent Newspapers (Pty) Ltd African News Agency (Pty) Ltd Independent News and Media (Pty) Ltd				
Related party balances					
Loan accounts – Owing (to)/by related parties					
Subsidiaries		**–**	–	**177 486**	214 890
Holding company		**(44 680)**	(53 292)	**(44 680)**	(53 292)
Key management		**(103)**	(324)	**(103)**	(324)
Amounts included in trade receivable/(trade payable) regarding related parties					
Holding company		**(21)**	(492)	**(21)**	(492)
Subsidiaries		**–**	–	**15 366**	4 566
Subsidiaries		**–**	–	**(5 752)**	–
Associates		**(1 799)**	–	**–**	–
Common controlled entities		**(777)**	–	**184**	–
Common controlled entities		**807**	–	**–**	–
Related party transactions					
Interest paid to/(received from) related parties					
Subsidiaries		**–**	–	**(19 617)**	(10 568)
Subsidiaries		**–**	–	**6 333**	2 650
Associates		**–**	(5 387)	**–**	–
Holding company		**7 948**	7 239	**7 948**	7 239
Administration fees paid to/(received from) related parties					
Subsidiaries		**–**	–	**621**	3 572
Subsidiaries		**–**	–	**(18 566)**	(17 634)
Other transactions with related parties					
Common controlled entities		**2 070**	2 385	**1 291**	1 466
Associates		**6 000**	–	**–**	–
Subsidiaries		**–**	–	**736**	(1 075)
Holding company		**1**	189	**–**	–
Compensation to directors and other key management					
Employee benefits		**37 446**	39 921	**4 744**	7 824

Refer to note 35 for a detailed breakdown of directors' emoluments.

Refer to note 48 for detail in relation to the subsidiary disposed of.

35. DIRECTORS' EMOLUMENTS

	Salary R'000	Bonus R'000	Provident fund R'000	Expense allowance R'000	Total R'000
Executive					
2015					
K Abdulla	**1 854**	**225**	**246**	**14**	**2 339**
C Ah Sing	**1 017**	**110**	**137**	**14**	**1 278**
CF Hendricks	**709**	**150**	**156**	**11**	**1 027**
	3 580	**485**	**539**	**39**	**4 644**
2014					
K Abdulla	1 170	–	246	98	1 514
C Ah Sing	915	100	128	47	1 190
CF Hendricks	713	100	96	11	920
Dr MI Survé	2 100	2 100	–	–	4 200
	4 898	2 300	470	156	7 824

	Directors' fees R'000	Total R'000
Service contracts		
Non-executive		
2015		
Prof VC Mehana	**350**	**350**
S Young	**300**	**300**
JM Goamab	**175**	**175**
A Amod	**201**	**201**
	1 026	**1 026**
2014		
Prof VC Mehana	160	160
S Young	200	200
JM Goamab	160	160
A Amod	330	330
	850	850

TT Hove and Z Barends waived their non-executive director fees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

36. RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 8, 9, 19 and 20 cash and cash equivalents disclosed in note 15, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group's activities.

Financial risk management

Fair value

The carrying amounts of the Group's financial instruments approximate their fair values as carried in the financial statements.

The directors monitor the fair value of financial assets by forecasting expected cash flows in respect of the financial assets. Where cash flows can not be adequately demonstrated over a 5 year period the terms of the financial assets are reviewed and renegotiated.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The following policy and procedures are in place to mitigate the company's exposure to liquidity risk:

The Group's liquidity risk is managed by holding financial assets for which there is a liquid market and holding deposits at recognised financial institutions to meet any negotiated upcoming liquidity requirements. There has been no change in the Group's liquidity risk management policy.

Maturity profiles

Group	Up to one year* R'000	Two – five years R'000	Over five years R'000	Total R'000
At 31 August 2015				
Trade and other payables	**76 818**	**–**	**–**	**76 818**
Finance lease obligations	**98**	**109**	**–**	**207**
Other financial liabilities	**45 609**	**112 800**	**–**	**158 409**
Bank overdraft	**13 419**	**–**	**–**	**13 419**
Dividend payable	**750**	**–**	**–**	**750**
At 31 August 2014				
Trade and other payables	79 746	–	–	79 746
Finance lease obligations	83	207	–	290
Other financial liabilities	27 933	135 445	–	163 378
Bank overdraft	4 752	–	–	4 752

36. RISK MANAGEMENT *continued*

Maturity profiles *continued*

Company	Up to one year* R'000	Two – five years R'000	Over five years R'000	Total R'000
At 31 August 2015				
Trade and other payables	**8 285**	**–**	**–**	**8 285**
Other financial liabilities	**44 783**	**–**	**–**	**44 783**
Loans from Group companies	**–**	**40 822**	**–**	**40 822**
Bank overdraft	**4 690**	**–**	**–**	**4 690**
Finance lease obligation	**98**	**109**	**–**	**207**
At 31 August 2014				
Trade and other payables	1 617	–	–	1 617
Other financial liabilities	22 216	31 400	–	53 616
Loans from Group companies	–	40 822	–	40 822
Bank overdraft	4 752	–	–	4 752
Finance lease obligation	83	207	–	290

* Up to one year includes all commitments which are either due within the time frame or are payable on demand.

The Group has no significant concentration of liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The following policies and procedures are in place to mitigate the company's exposure to market risk:

A Group market risk policy sets out the assessment and determination of what constitutes market risk for the Group. Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-linked liabilities. Limits are applied in respect of the exposure to asset classes and individual counters.

Compliance with the policy is monitored and exposures and breaches are reported.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

36. RISK MANAGEMENT *continued*

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group has no significant concentration of interest rate risk.

At 31 August 2015, if the interest rate had 1% lower or higher with all other variables held constant, post tax profit for the year would have been R1 633 780 (2014: R1 896 556) lower or higher, based on the adjusted average interest rate for the year.

Cash flow interest rate risk

	Current interest rate risk %	Due in one year R'000	Due in two to five years R'000
Financial instrument			
Trade and other receivables – normal credit terms	–	71 833	–
Cash in current banking institutions	4.75	32 066	–
Trade and other payables – normal credit terms	9.50	45 430	–
Overdraft facilities used	9.50	13 419	–
Other financial liabilities	9.5 – 14.50	45 609	112 800
Finance lease obligation	9.50	98	109

Economic assumptions

Investment return

The investment return for all classes of business, except those where the liability has a specific asset backing it, was determined as the expected return on the underlying assets backing the liabilities of the Group less an allowance for credit risk and a compulsory margin of 0.25%.

The following long-term assumptions were assumed for each asset class:

- Bonds 9.50%
- Cash 5.75%
- Equities 12.75%

Inflation

The current assumed level of future expense inflation of 6%, after adjusting for internal and external factors, is based on the Reserve Bank's long-term inflation target of between 3% and 6%.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group does not hedge foreign exchange fluctuations.

At 31 August 2015, if the currency had been 10% higher or lower against the US dollar with all other variables held constant, post-tax profit for the year would have been R3 999 648 higher or lower (2014: R3 525 711), mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated trade receivables, financial assets at fair value through profit or loss.

Profit is more sensitive to movement in rand/US dollar exchange rates in 2015 than 2014 because of the increased amount of US dollar-denominated sales.

36. RISK MANAGEMENT *continued*

Foreign currency exposure at the statement of financial position date

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Current assets				
Trade debtors, USD	**705**	979	**–**	–
Trade debtors, EUR	**3**	–	**–**	–
Cash and cash equivalents, USD	**42**	–	**–**	–
Liabilities				
Income received in advance, USD	**9**	61	**–**	–
Exchange rates used for conversion of foreign items were:				
USD	**13.28**	10.59	**–**	–
EUR	**14.93**	13.95	**–**	–

The Group reviews its foreign currency exposure, including commitments on an ongoing basis.

Risk from biological assets
The Group is exposed to financial risks arising from diseases that may affect the abalone. Sufficient insurance cover is taken out to minimise any losses in the event of the above occurring.

Credit risk
Credit risk is managed on a Group basis.

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk consists mainly of cash deposits, cash equivalents, trade debtors and loans and other receivables. The Group only deposits cash with major banks having high-quality credit standing and limited exposure to any one counterparty. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. Internal risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with criteria set by the Board. The utilisation of credit limits is regularly monitored.

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- A Group credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the board of directors. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Net exposure limits are set for each counterparty (i.e. limits are set for investments and cash deposits and minimum credit ratings for investments that may be held).
- The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings.
- The credit risk in respect of customer balances, incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.
- Amounts receivable in terms of long term insurance business are secured by the underlying value of the unpaid policy benefits in terms of the policy contract. An appropriate provision is maintained.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

36. RISK MANAGEMENT *continued*

Credit exposure

The maximum exposure to credit risk is the carrying amount of the financial assets as reflected on the statement of financial position at year end as well as in relation to guarantees disclosed in note 15.

Price risk

Price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether the changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The investment profiles are monitored and reviewed from time to time to ensure that they remain in line with the company risk appetite and long-term capital management framework. Group investments at fair value through profit and loss are affected by fair value price risk. Refer to note 45 for sensitivity analysis done on investments.

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

37. FINANCIAL ASSETS BY CATEGORY

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

Group – 2015	Loans and receivables R'000	Fair value through profit or loss – designated R'000	Total R'000
Other financial assets	–	524 984	524 984
Trade and other receivables	102 992	–	102 992
Other loan receivables	13 016	–	13 016
Cash and cash equivalents	32 066	–	32 066
	148 074	524 984	673 058
Group – 2014			
Other financial assets	–	426 947	426 947
Trade and other receivables	89 554	–	89 554
Other loan receivables	2 310	–	2 310
Cash and cash equivalents	47 118	–	47 118
	138 982	426 947	565 929
Company – 2015			
Loans to Group companies	198 134	–	198 134
Other financial assets	–	22 106	22 106
Trade and other receivables	15 621	–	15 621
Investments in subsidiaries	–	976 789	976 789
Cash and cash equivalents	612	–	612
	214 367	998 895	1 213 262
Company – 2014			
Loans to Group companies	159 799	–	159 799
Other financial assets	–	29 131	29 131
Trade and other receivables	4 670	–	4 670
Investments in subsidiaries	–	810 469	810 469
Cash and cash equivalents	49	–	49
	164 518	839 600	1 004 118

38. FINANCIAL LIABILITIES BY CATEGORY

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

Group – 2015	Financial liabilities at amortised cost R'000	Total R'000
Other financial liabilities	**158 409**	**158 409**
Trade and other payables	**76 818**	**76 818**
Bank overdraft	**13 419**	**13 419**
Finance lease obligation	**207**	**207**
	248 853	**248 853**
Group – 2014		
Other financial liabilities	163 378	163 378
Trade and other payables	79 746	79 746
Bank overdraft	4 752	4 752
Finance lease obligation	290	290
	248 166	248 166

Company – 2015	Financial liabilities at amortised cost R'000	Total R'000
Loans from Group companies	**66 215**	**66 215**
Other financial liabilities	**44 783**	**44 783**
Trade and other payables	**8 285**	**8 285**
Bank overdraft	**4 690**	**4 690**
Finance lease obligation	**207**	**207**
	124 180	**124 180**
Company – 2014		
Loans from Group companies	40 822	40 822
Other financial liabilities	53 616	53 616
Trade and other payables	1 617	1 617
Bank overdraft	4 752	4 752
Finance lease obligation	290	290
	101 097	101 097

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

39. COMMITMENTS

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Authorised capital expenditure				
Authorised by directors and not yet contracted for	**8 060**	11 991	**–**	–
This committed expenditure relates to plant and equipment and will be financed by available bank facilities over the next 12 months.				
Operating leases – as lessee (expense)				
Minimum lease payments due				
• within one year	**8 288**	7 023	**–**	–
• in second to fifth year inclusive	**12 769**	22 941	**–**	–
• later than five years	**4 946**	339	**–**	–
	26 003	30 303	**–**	–

The Food and Fishing division rents all its premises from Lexshell (Pty) Ltd and the Department of Public Works in terms of operating leases. The lease contract with Lexshell (Pty) Ltd is for a period of 25 years and escalating rentals are negotiated every five years. The lease contract with the Departments of Public Works is for a period of nine years and 11 months.

The Events and Tourism Division operating lease payments represent rentals payable by the company for certain of its office properties, and parking. Leases are negotiated for an average term of ten years and rentals are fixed for an average of five years. No contingent rent is payable.

40. CONTINGENCIES

Contingencies relating to interests in joint ventures

As previously disclosed and advised, the claim by the Gauteng Department of Health against Baoki Consotium existed in the previous year. Our legal council has advised that even though there is a probable loss of R396 million for the AmetHst company, as well as claims from suppliers of R571 million, the AmetHst (Pty) Ltd commenced with the liquidation of the Company on 6 October 2014.

As advised by our legal advisors previously, there is no risk of any claims against either the directors of the Company, its shareholders or the Group.

41. SEGMENTAL INFORMATION

	Fishing R'000	Food R'000	Combined food and fishing R'000	Tech-nology R'000	Health Care R'000	Bio-technology R'000	Corporate R'000	Tourism and Events R'000	Group R'000
31 August 2015									
Revenue	**348 393**	**–**	**348 393**	**217 335**	**9 620**	**–**	**26 726**	**98 069**	**700 143**
External sales	**348 743**	**–**	**348 743**	**216 513**	**9 620**	**–**	**–**	**97 309**	**672 185**
Inter-group sales	**(350)**	**–**	**(350)**	**822**	**–**	**–**	**26 726**	**760**	**27 958**
Segment results	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operating profit/(loss)	**68 157**	**123 527**	**191 684**	**33 071**	**(6 110)**	**(14 862)**	**(27 176)**	**8 951**	**185 558**
Included in segment results:	**(14 898)**	**123 617**	**108 719**	**(1 335)**	**(1 703)**	**(8 983)**	**(17 144)**	**(184)**	**(79 370)**
(Impairments)/reversals of impairments	**–**	**–**	**–**	**–**	**–**	**(6 067)**	**288**	**–**	**(5 779)**
Depreciation and amortisation	**(14 898)**	**–**	**(14 898)**	**(1 335)**	**(1 703)**	**(2 916)**	**(175)**	**(229)**	**(21 256)**
Fair valuation of investments	**–**	**123 617**	**123 617**	**–**	**–**	**–**	**(17 257)**	**45**	**106 405**
Carrying value of assets	**277 311**	**323 122**	**600 433**	**96 733**	**30 332**	**345 397**	**239 822**	**32 754**	**1 345 471**
Carrying value of liabilities	**132 005**	**139 233**	**271 238**	**44 315**	**12 272**	**88 469**	**107 644**	**16 984**	**540 922**
Loss from equity accounted investments	**–**	**–**	**–**	**9**	**–**	**–**	**–**	**(325)**	**(316)**
Capital expenditure	**24 082**	**–**	**24 082**	**4 080**	**1 615**	**68**	**7 645**	**195**	**37 685**
31 August 2014									
Revenue	315 119	–	315 119	184 991	22 986	–	19 141	99 185	641 422
External sales	314 938	–	314 938	184 927	22 392	–	651	97 641	620 549
Inter-group sales	181	–	181	64	594	–	18 490	1 544	20 873
Segment results	–	–	–	–	–	–	–	–	–
Operating profit/(loss)	51 243	63 164	114 407	19 711	(6 471)	(3 298)	(32 605)	6 834	98 578
Included in segment results:	(15 494)	63 248	47 754	(899)	(2 202)	(821)	(17 998)	(253)	25 581
(Impairments)/reversals of impairments	–	–	–	109	(436)	–	(845)	–	(1 172)
Depreciation and amortisation	(15 494)	–	(15 494)	(1 008)	(1 766)	(821)	(214)	(247)	(19 550)
Fair valuation of investments	–	63 248	63 248	–	–	–	(16 939)	(6)	46 303
Carrying value of assets	248 286	188 858	437 144	92 911	29 091	354 164	244 079	20 695	1 178 084
Carrying value of liabilities	119 176	92 420	211 596	56 652	9 223	90 141	126 226	19 174	513 012
Loss from equity accounted investments	–	–	–	–	–	(6 179)	–	–	(6 179)
Capital expenditure	15 985	–	15 985	1 703	–	9	517	68	18 282

Information on geographical regions

The operations of the Group are domiciled in South Africa. A total of 37% of external revenue is attributable to foreign sales mainly to the United States of America (14%), Far East (18%) and Europe (6%).

Information on customers

Sixteen per cent of the Group's revenue comes from the public sector mainly in the Western Cape. The balance comes sales from the private sector.

National Health Laboratory Services accounts for more than 9% of the Group's revenue.

Additional information

As at 31 August 2015, Saab SA (Pty) Ltd amounting to R20 000 000 has been classified as a non-current asset held for sale, which is included in the carrying value of the assets in the Corporate Division.

During the year under review the segment for Marine has been changed to Fishing. Combined Food and Fishing reflects the reclassification of the investment in Pioneer Foods Ltd, to be reflected as part of the Food and Fishing segment instead of the Corporate segment. Reclassification has thus been made to the prior year segmental report to be in line with the year under review.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

42. INFORMATION ON JOINT ARRANGEMENTS

Name of joint arrangements	Date of acquisition	Effective % held 2015 R'000	Effective % held 2014 R'000	Nature of business
Bloudam	1 September 2003	**38.00**	38.00	Packaging of west coast rock lobster
Premier – BCP Hake	1 March 2003	**48.00**	48.00	Catching of hake
Premier Seacat	1 November 2002	**50.00**	50.00	Catching of squid
Premier Select (Pty) Ltd	1 September 2006	**50.00**	50.00	Dormant
AmetHst (Pty) Ltd	1 September 2008	**–**	47.02	Information Technology
Exaro HST Ltd	1 September 2013	**47.02**	47.02	Information Technology

43. INFORMATION ON ASSOCIATES

Name of joint arrangements	Date of acquisition	Effective % held 2015	Effective % held 2014	Nature of business
Emergent Energy (Pty) Ltd	1 November 2010	**23.51**	23.51	Renewable energy

44. INFORMATION ON SUBSIDIARIES

Name of subsidiary	Issued capital 2015 R'000	Issued capital 2014 R'000	Effective % held 2015 R'000	Effective % held 2014 R'000	Nature of business
African Biotechnological and Medical Innovations Investments (Pty) Ltd	**300**	300	**100**	100	Biotechnology investments
Afrozaar Consulting (Pty) Ltd	**100**	100	**32**	32	Information technology
Atlantic Fishing Enterprises (Pty) Ltd	**100**	100	**100**	100	Fishing
Bioclones (Pty) Ltd	**85 389**	85 389	**50**	50	Biotechnology investments
Business Venture Investments No 1581 (Pty) Ltd	**8 767**	8 767	**100**	100	Investments in food
Chapman's Peak Fisheries (Pty) Ltd	**18 000**	18 000	**100**	100	Fishing
Chapman's Peak Fish Processors (Pty) Ltd	**300**	300	**100**	100	Aquaculture
Digital Matter (Pty) Ltd	**100**	100	**32**	32	Information technologies
espAfrika (Pty) Ltd	**100**	100	**51**	51	Event management
Fish Drying Corporation (Pty) Ltd	**4**	4	**80**	80	Dormant company
Friedshelf 860 (Pty) Ltd	**100**	100	**80**	80	Media investments
Health System Technologies (Pty) Ltd	**2 000**	2 000	**94**	94	Information technologies
• Voting	**–**	–	**94**	94	
Hostprops 136 (Pty) Ltd	**100**	100	**100**	100	Dormant company
Imagination Advisory and Distribution Services (Pty) Ltd	**–**	100	**–**	100	Financial services
John Ovenstone Ltd	**1 042 000**	1 042 000	**100**	100	Dormant company
John Quality (Pty) Ltd	**6 000**	6 000	**100**	100	Dormant company
Kuttlefish (SA) (Pty) Ltd	**10**	10	**100**	100	Dormant company
Kilomax (Pty) Ltd	**100**	100	**100**	100	Investments in telecommunication
Kilomix (Pty) Ltd	**100**	100	**100**	100	Investments in telecommunication
Premier Fishing (SA) (Pty) Ltd	**100 000**	100 000	**100**	100	Fishing
Magic 828 (Pty) Ltd	**120**	–	**40**	–	Radio station
Marine Growers	**1 000**	1 000	**100**	100	Fishing

44. INFORMATION ON SUBSIDIARIES *continued*

Name of subsidiary	Issued capital 2015 R'000	Issued capital 2014 R'000	Effective % held 2015 R'000	Effective % held 2014 R'000	Nature of business
Opispex (Pty) Ltd	**100**	–	**65**	–	Leasing of assets
Premfresh Seafoods (Pty) Ltd	**100**	100	**100**	100	Fishing
Ribotech (Pty) Ltd	**5**	5	**30**	30	Biotechnology
Saratoga Software (Pty) Ltd	**8 073**	8 073	**40**	40	Information technologies
Seagro Fertilisers (Pty) Ltd	**8**	8	**100**	100	Marine agriculture
Sekfish Investments (Pty) Ltd	**200**	200	**100**	100	Fishing investments
Sekpharma (Pty) Ltd	**100**	100	**100**	100	Pharmaceuticals
• Voting	**–**	–	**100**	100	
Sekunjalo Aquaculture (Pty) Ltd	**100**	100	**100**	100	Marine agriculture
Sekunjalo Capital (Pty) Ltd	**–**	100	**–**	100	Financial services investments
Sekunjalo Consumer Products (Pty) Ltd	**8 767**	8 767	**100**	100	Investments in food
Sekunjalo Food and Fishing (Pty) Ltd	**100**	100	**100**	100	Fishing investments
Sekunjalo Technology Solutions Ltd	**716 052**	716 052	**94**	94	Medical investments
• Voting	**–**	–	**94**	94	
Sekunjalo Health and Medical Commodities (Pty) Ltd	**100**	100	**94**	94	Dormant company
Sekunjalo Industrial Holdings (Pty) Ltd	**100**	100	**100**	100	Fishing investments
Sekunjalo Media Holdings (Pty) Ltd	**100**	100	**100**	100	Media investments
Sekunjalo Medical Services (Pty) Ltd	**100**	100	**94**	94	Dormant company
• Voting	**–**	–	**94**	94	Medical investments
Sekunjalo Medical Trading (Pty) Ltd	**100**	100	**94**	94	Dormant company
• Voting	**–**	–	**94**	94	
Sekunjalo Motor Holdings (Pty) Ltd	**120**	120	**100**	100	Dormant company
Sekunjalo Properties (Pty) Ltd	**100**	100	**100**	100	Properties
Sekunjalo Technologies Solutions Group (Pty) Ltd	**100**	100	**100**	100	IT investments
South Atlantic Jazz Festival (Pty) Ltd	**100**	100	**51**	51	Media
Southern Ocean Fishing (Pty) Ltd	**100**	100	**80**	80	Dormant company
Tripos Travel Investments (Pty) Ltd	**100**	100	**41**	41	Travel
World Wide Creative (Pty) Ltd	**100**	100	**32**	32	Information technology
Wisdom Global (Pty) Ltd	**100**	100	**75**	75	Information technology
Wynberg Pharmaceuticals (Pty) Ltd	**100**	100	**94**	94	Medical manufacturing
• Voting	**–**	–	**94**	94	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

45. BUSINESS COMBINATIONS

Magic 828 (Pty) Ltd

The Group initially acquired an effective 25.10% indirectly in Magic 828 (Pty) Ltd, which resulted in the company being treated as a joint venture in terms of the shareholders' agreement. AEEI acquired an additional 15% direct shareholding in the Company on 20 July 2015, which effectively means that the Group obtained control over the Board of Magic 828 (Pty) Ltd. The Company is therefore accounted for as a subsidiary as a result of this additional shareholding.

Goodwill of R 1 362 533 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the entities, as well as from intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

Fair value of assets acquired and liabilities assumed

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Property, plant and equipment	**65**	–	**–**	–
Intangible assets	**8 858**	–	**–**	–
Trade and other receivables	**255**	–	**–**	–
Cash and cash equivalents	**150**	–	**–**	–
Deferred tax	**(2 463)**	–	**–**	–
Other financial liabilities	**(2 825)**	–	**–**	–
Trade and other payables	**(208)**	–	**–**	–
Total identifiable net assets	**3 832**	–	**–**	–
Non-controlling interest	**(2 296)**	–	**–**	–
Fair value of equity interest held before the business combination	**(2 899)**	–	**–**	–
Goodwill	**1 363**	–	**–**	–
	–	–	**–**	–

Non-controlling interest

Non-controlling interest, which is a present ownership interest, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.

Receivables acquired

Receivables acquired per major class are as follows, as at acquisition date:

	2015			2014		
Group	**Fair value R'000**	**Gross contractual amounts R'000**	**Contractual amounts not expected to be recovered R'000**	Fair value R'000	Gross contractual amounts R'000	Contractual amounts not expected to be recovered R'000
Trade and other receivables	**27**	**–**	**–**	–	–	–
Other receivables	**228**	**–**	**–**	–	–	–
Total	**255**	**–**	**–**	–	–	–

45. BUSINESS COMBINATIONS *continued*

Acquisition-related costs

No acquisition-related costs have been incurred and included in the statement of comprehensive income.

Fair value of equity interest held before the acquisition

The measurement to fair value of the equity interest held in Magic 828 (Pty) Ltd immediately prior to the acquisition, resulted in a gain of R3 224 138, which has been included in gain on deemed disposal of the joint venture in the statement of comprehensive income.

Loss of Magic 828 (Pty) Ltd

A loss of R324 704 has been included in the group's results since the date of acquisition.

Group revenue and profit or loss for full year

Had all the business combinations taken place at the beginning of the reporting year, the revenue for the Group would have been Rnil and the net loss would have been R2 112 034.

Genius Biotherapeutics

African Biotechnological and Medical Innovations Investments Group (ABMI) holds 49.99% in Genius Biotherapeutics (Genius).

This investment was accounted for as an associate in the 2013 year due to certain restrictions in the shareholders agreement which require approval by shareholders that hold an aggregate of not less than 75% of the total shareholding in Genius.

Due to these circumstances the other major shareholder, who holds 39.92% of Genius has confirmed that they agree that ABMI obtain the power to direct the relevant activities of Genius effective 11 June 2014. As a result, ABMI has obtained control of Genius and will be accounted for as a subsidiary.

Goodwill of R16 900 911 arising from the acquisition consists largely of intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

Fair value of assets acquired and liabilities assumed

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Property, plant and equipment	–	11 463	–	–
Intangible assets	–	325 860	–	–
Prepayments	–	614	–	–
Inventories	–	889	–	–
Trade and other receivables	–	338	–	–
Cash and cash equivalents	–	123	–	–
Deferred tax	–	(89 367)	–	–
Other financial liabilities	–	(49 566)	–	–
Trade and other payables	–	(1 623)	–	–
Total identifiable net assets	–	198 731	–	–
Non-controlling interest	–	(86 872)	–	–
Fair value of equity interest held before the business combination	–	(128 760)	–	–
Goodwill	–	16 901	–	–
	–	–	–	–

Non-controlling interest

Non-controlling interest, which is a present ownership interest, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.

Fair value of equity interest held before the acquisition

The measurement to fair value of the equity interest held in Genius immediately prior to the acquisition, resulted in a gain of R22 555 765 which has been included in Fair value adjustments in comprehensive income.

Loss of Genius Biotherapeutics

A loss of R3 872 600 of Genius have been included in the group's results since the date of acquisition.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

45. BUSINESS COMBINATIONS *continued*

Afrozaar Consulting CC

On 1 March 2014, the Group acquired 75% of the voting rights of Afrozaar Consulting CC which resulted in the group obtaining control over Afrozaar Consulting CC. However the agreement relating to the Afrozaar Consulting CC acquisition was finalised on 1 September 2014. All transactions for the six months from 1 March 2014 to 31 August have been consolidated.

Goodwill of R1 172 962 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the entities, as well as from intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

Fair value of assets acquired and liabilities assumed

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Property, plant and equipment	**–**	94	**–**	–
Loans to members	**–**	11	**–**	–
Loans to directors, managers and employees	**–**	(676)	**–**	–
Current tax receivable	**–**	135	**–**	–
Trade and other receivables	**–**	57	**–**	–
Cash and cash equivalents	**–**	342	**–**	–
Trade and other payables	**–**	(351)	**–**	–
Total identifiable net assets	**–**	(388)	**–**	–
Non-controlling interest	**–**	81	**–**	–
Goodwill	**–**	1 173	**–**	–
	–	866	**–**	–

Non-controlling interest

Non-controlling interest, which is a present ownership interest, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.

Contingent consideration arrangements

The contingent consideration arrangement requires the Group to pay the previous owners of Afrozaar Consulting CC an amount equal to R1 000 000 if a minimum profit of R1 000 000 is achieved within 24 months after the acquisition. The contingent consideration arrangement is capped at R1 000 000.

The fair value of the contingent consideration arrangement was determined by using the income approach. The discount rate applied in the estimate was 6.5% and profits, after adjusting for probabilities, were R865 659.

46. LOSS ON EQUITY ACCOUNTED INVESTMENTS

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Equity accounted investments				
Associate – Profit/(loss)	**9**	(6 179)	**–**	–
Joint venture – Loss	**(325)**	–	**–**	–
	(316)	(6 179)	**–**	–

47. FAIR VALUE INFORMATION

Fair value hierarchy

Financial assets, financial liabilities and non-financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The following table shows the carrying amounts and fair values of financial assets and non-financial assets measured at fair value, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Levels of fair value measurements
Level 1
Recurring fair value measurements

		Group		Company	
Assets	Notes	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Financial assets designated at fair value through profit or loss	10				
Listed shares		**323 112**	188 858	**–**	–
Total		**323 112**	188 858	**–**	–
Level 3					
Recurring fair value measurements					
Assets					
Biological assets	14				
Abalone		**46 162**	36 014	**–**	–
Investments in subsidiaries at fair value	5				
Investments in unlisted subsidiaries		**–**	–	**1 006 948**	810 469
Financial assets designated at fair value through profit or loss	10				
Endownment policy		**985**	–	**–**	–
Investments in unlisted public companies		**286**	2 106	**286**	2 106
Investments in unlisted private companies		**200 591**	235 983	**–**	34 438
Total financial assets designated at fair value through profit or loss		**201 862**	238 089	**286**	36 544
Non-recurring fair value measurements					
Other					
Radio licence	4	**8 795**	–	**–**	–
Total		**256 819**	274 103	**1 007 234**	847 013
Non-recurring fair value measurements					
Assets held for sale and disposal groups in accordance with IFRS 5					
Other financial assets	16	**20 000**	–	**20 000**	–
		20 000	–	**20 000**	–

Transfers of assets and liabilities within levels of the fair value hierarchy

There has been no transfer of assets and liabilities between Levels 1, 2 or 3 of the fair value hierarchy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

47. FAIR VALUE INFORMATION *continued*

Reconciliation of assets and liabilities measured at level 3

Group – 2015 Assets	Notes	Opening balance R'000	Gains/ losses recognised in profit or loss R'000	Additions R'000	Share of loss of associate recognised in profit and loss R'000	Disposal R'000	Transferred to non-current assets held for sale R'000	Closing balance R'000
Biological assets	14							
Biological assets		36 014	41 838	–	–	(31 690)	–	46 162
Financial assets designated at fair value through profit or loss	10							
Investments in unlisted public companies		2 106	(1 820)	–	–	–	–	286
Investments in unlisted private companies		235 983	(15 392)	–	–	–	(20 000)	200 591
Total financial assets designated at fair value through profit or loss		238 089	(17 212)	–	–	–	(20 000)	200 877
Other								
Radio licence		–	–	8 795	–	–	–	8 795
Total		274 103	24 626	8 795	–	(31 690)	(20 000)	255 834

Group – 2014 Assets	Notes	Opening balance R'000	Gains/ losses recognised in profit or loss R'000	Additions R'000	Share of loss of associate recognised in profit and loss R'000	Disposal R'000	Transferred to non-current assets held for sale R'000	Closing balance R'000
Biological assets	14							
Abalone		41 798	31 744	–	–	(37 528)	–	36 014
Investments in associates at fair value	6							
Investments in unlisted associate		112 382	22 556	–	(6 179)	(128 759)	–	–
Financial assets designated at fair value through profit or loss	10							
Investments in unlisted public companies		2 106	–	–	–	–	–	2 106
Investments in unlisted private companies		252 928	(16 945)	–	–	–	–	235 983
Total financial assets designated at fair value through profit or loss		255 034	(16 945)	–	–	–	–	238 089
Total		409 214	37 355	–	(6 179)	(166 287)	–	274 103

47. FAIR VALUE INFORMATION *continued*

Company – 2015 Assets	Notes	Opening balance R'000	Gains/ losses recognised in profit or loss R'000	Pur-chases R'000	Issues R'000	Settle-ments R'000	Transfers into level 3 R'000	Closing balance R'000
Investments in subsidiaries at fair value	5							
Investments in unlisted subsidiaries		810 469	196 479	–	–	–	–	1 006 948
Financial assets designated at fair value through profit or loss	10							
Investments in unlisted public companies		2 106	(1 820)	–	–	–	–	286
Investments in unlisted private companies		27 025	(7 025)	–	–	–	(20 000)	–
Total financial assets designated at fair value through profit or loss		29 131	(8 845)	–	–	–	(20 000)	286
Total		839 600	187 634	–	–	–	(20 000)	1 007 234

Company – 2014 Assets	Notes	Opening balance R'000	Gains/ losses recognised in profit or loss R'000	Pur-chases R'000	Issues R'000	Settle-ments R'000	Transfers into level 3 R'000	Closing balance R'000
Investments in subsidiaries at fair value	5							
Investments in unlisted subsidiaries		766 664	43 805	–	–	–	–	810 469
Financial assets designated at fair value through profit or loss	10							
Investments in unlisted public companies		2 106	–	–	–	–	–	2 106
Investments in unlisted private companies		31 800	(4 775)	–	–	–	–	27 025
Total financial assets designated at fair value through profit or loss		33 906	(4 775)	–	–	–	–	29 131
Total		800 570	39 030	–	–	–	–	839 600

Gains and losses recognised in profit or loss for biological assets are included in cost of sales in the statement of comprehensive income.

Gains and losses recognised in profit or loss for investments in subsidiaries, investments in associates and other financial assets are included in fair value adjustments in the statement of comprehensive income.

Financial instruments measured at cost for which a fair value is disclosed
Financial assets that are not measured at fair value, namely trade and other receivables, cash and cash equivalents and loans receivable are categorised as loans and receivables. It has been concluded that the carrying amounts of these assets approximate their fair values. Refer to notes 9, 13 and 15.

Financial liabilities that are not measured at fair value, namely trade and other payables and other financial liabilities are categorised as other financial liabilities. It has been concluded that the carrying amount of these liabilities approximate their fair values. Refer to notes 19 and 22.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

47. FAIR VALUE INFORMATION *continued*

Valuation techniques used to derive level 3 fair values

The value of abalone is calculated by taking into account the selling price of the Abalone, less cost associated with the sale. The net sales price less the cost of sales price is then applied to the total weight of the abalone per size category as at year end with other inputs such as weight loss of the abalone during transportation and the USD foreign currency spot rate. The potential effect of using reasonable possible alternative assumptions in the valuation, based on a change in the most significant input by 1% while holding all other variables constant, is a decrease or an increase in profit after tax of R355 105.

At 31 August 2014, if the USD spot rate had been 1% higher or lower with all other variables held constant, post-tax profit for the year would have been R355 105 lower or higher.

No changes have been made to the valuation technique.

Information about valuation techniques and inputs used to derive level 3 fair values

Fair value of radio licence

The valuation method used in determining the fair value of the radio licence is the discounted cash flow technique. A capital asset pricing model is used in which the present value of the expected cash flows of the investment are determined. The expected cash flows are determined by considering the income generation and relevant expenditure in terms of advertising contracts.

Investments in subsidiaries and associates

The valuation method in subsidiaries and associates is determined by using the discounted cash flow technique. A capital asset pricing model is used in which the present value of the expected cash flows of the investment are determined. The expected cash flows are determined by considering the current and planned operational activities of each investment.

	WACC 2015	WACC 2014
Fishing Division	**18% – 22%**	17% – 22%
Technology Division	**23% – 29%**	23% – 26%
Corporate Division	**17% – 18%**	17% – 18%
Health Care Division	**18% – 29%**	18% – 39%
Biotechnology Division	**21% – 30%**	19% – 30%
Events and Tourism Division	**27% – 29%**	27% – 29%
Target debt/equity ratio	**0% – 75%**	0% – 75%
Beta	**1.00 – 1.52**	1.00 – 1.50
Specific risk premium	**1% – 23%**	1% – 24%
Terminal growth rate	**4% – 5%**	4% – 5%

The potential effect of using reasonably possible alternative assumptions in the valuation, based on a change of 1% to 10% in the most significant input while holding all other variables constant, will result in the following changes in fair values:

	2015 R'000	2014 R'000
Cost of debt	**16 350**	16 943
Beta	**30 419**	30 930
Weighted average cost of capital	**65 254**	69 284
Specific risk premium	**54 955**	50 361
Target debt/equity ratio	**74 881**	70 200
Terminal growth	**35 750**	37 679

Other financial assets

The valuation method in other financial assets is determined by using the discounted cash flow technique. A capital asset pricing model is used in which the present value of the expected cash flows of the investment are determined. The expected cash flows are determined by considering the current and planned operational activities of each investment. During the year under review investment of R20 000 000 was transferred to non-current assets held for sale and the fair value was based on the heads of agreement

47. FAIR VALUE INFORMATION *continued*

Significant assumptions	2015	2014
Weighted average cost of capital	**18% – 29%**	17% – 18%
Target debt/equity ratio	**20% – 30%**	20% – 50%
Beta	**1.00 – 1.40**	1.00 – 1.30
Specific risk premium	**1% – 10%**	3% – 5%
Terminal growth rate	**4% – 5%**	4% – 5%

The potential effect of using reasonably possible alternative assumptions in the valuation, based on a change in the most significant input while holding all other variables constant, will result in the following changes in fair values.

	Change	2015 R'000	2014 R'000
Cost of debt	1%	**2 654**	3 663
Beta	0.1	**7 774**	9 758
Weighted average cost of capital	1%	**15 084**	19 082
Specific risk premium	1%	**17 886**	15 855
Target debt/equity ratio	10%	**15 502**	17 354
Terminal growth rate	1%	**9 564**	13 039

Valuation processes applied by the Group

The fair value calculations are performed by the Group's finance department and operations team, on an annual basis. The finance department reports to the Group's CFO. The valuation reports are approved by the investment committee and discussed with the audit committee in accordance with the Group's reporting policies.

48. SALE OF BUSINESSES

During the year the Group disposed of 100% interest in Sekunjalo Capital (Pty) Ltd and its subsidiaries to the holding company on 1 June 2015. The net assets of Sekunjalo Capital (Pty) Ltd and its subsidiaries were as follows on the date of disposal:

	Group		Company	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Carrying value of assets sold				
Deferred tax assets	**40**	–	**–**	–
Other non-current assets	**349**	–	**–**	–
Trade and other receivables	**18**	–	**–**	–
Trade and other payables	**(45)**	–	**–**	–
Loans	**(3 300)**	–	**–**	–
Cash	**1**	–	**–**	–
Total net assets sold	**(2 937)**	–	**–**	–
Less: Share of net assets after sale	**(499)**	–	**–**	–
Net assets sold	**(3 436)**	–	**–**	–
Profit on disposal	**3 436**	–	**–**	–
	–	–	**–**	–
Net cash outflow on acquisition				
Cash sold	**1**	–	**–**	–

The entity has not traded during the financial year. The investment was carried at fair value in the Company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

49. DIVIDEND PAID

A final dividend of 2 cents was paid to shareholder during the year under review, which is reflected in the statement of changes in equity.

50. GOING CONCERN

The 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.

51. EVENTS AFTER THE REPORTING PERIOD

On 19 May 2015, AEEI announced that it was in negotiations with Saab SA (Pty) Ltd and Saab Grintek Defence (Pty) Ltd to dispose of its effective shareholding of 5% in Saab SA (Pty) Ltd for R20 million. The investment has therefore been classified as held for sale in the statement of financial position. AEEI and Saab SA (Pty) Ltd in terms of the heads of agreement, are finalising a new shareholding structure, whereby AEEI is in the process of acquiring 25% plus 1 share in Saab Grintek Defence(Pty) Ltd for a consideration amount of R125 million.

On 14 October 2015, the Group purchased 1 190 476 shares in Sygnia Ltd to the value of R10 million.

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 31 AUGUST 2015

	Number of share-holders	Percentage of total share-holders	Number of shares	Percentage of total issued shares
1 – 5 000	994	56.03%	1 895 600	0.39%
5 001 – 10 000	282	15.90%	2 327 099	0.47%
10 001 – 100 000	361	20.35%	12 524 478	2.55%
100 001 – 1 000 000	108	6.09%	34 843 399	7.09%
1 000 001 – and more	29	1.63%	439 748 858	89.50%
Total	1 774	100.00%	491 339 434	100.00%

Non-Public vs Public

	Number of share-holders	Percentage of total share-holders	Number of shares	Percentage of total issued shares
Non-public	9	0.51%	348 015 591	70.83%
Public	1 765	99.49%	143 323 843	29.17%
Total	1 774	100.00%	491 339 434	100.00%

Major shareholders (5% and more of the shares in issue)

	Number of shares	Percentage of total issued share capital
Sekunjalo Investment Holdings (Pty) Ltd	300 152 582	61.09%
Miramare Investments (Pty) Ltd	56 020 304	11.40%
Total	356 172 886	72.49%

Distribution of shareholders

	Shareholders		Shares	
	Number	Percentage	Number	Percentage
Individuals	1 598	90.08%	55 828 775	11.36%
Nominee companies and trusts	99	5.58%	52 625 962	10.71%
Public companies	4	0.26%	279 061	0.06%
Close corporations and private companies	73	4.11%	382 605 636	77.87%
Total	1 774	100.00%	491 339 434	100.00%

Share trading statistics

Market price per share (cents)	
High	360
Low	80
Year-end	270
Volume traded (shares)	54 997 926
Value traded (rand)	113 933 682
Volume of shares traded as a percentage of issued capital	11.19%
Market capitalisation at 31 August 2015 (rand)	1 326 616 471
Market capitalisation at 4 November 2015 (rand)	1 916 223 792

SHAREHOLDERS' DIARY

ANNUAL GENERAL MEETING

25 February 2016, at 15:00 at the AEEI Head Office, Premier Fishing, Quay 7, East Pier, Victoria and Alfred Waterfront

FINANCIAL REPORTS

Announcement of interim results	May 2016
Interim report	May 2016
Announcement of annual results	November 2016
Integrated report	November 2016

DIVIDEND PAYMENT

Gross dividend (cents per share)	2.5
Dividend net of dividend withholding tax (cents per share)	2.125
Last day to trade cum dividend	Friday, 12 February 2016
Trading ex-dividend commences	Monday, 15 February 2016
Record date	Friday, 19 February 2016
Date of payment	Monday, 22 February 2016

Share certificates may not be dematerialised between Monday, 15 February 2016 and Friday, 19 February 2016, both days inclusive.

ADMINISTRATION

COMPANY SECRETARY

Carmelita Arendse – carmen@aeei.co.za

EXECUTIVE MANAGEMENT TEAM

Chief executive officer	Khalid Abdulla	khalid@aeei.co.za
Chief financial officer	Chantelle Ah Sing	chantelle@aeei.co.za
Corporate affairs and sustainability	Cherie Hendricks	cherie@aeei.co.za
Prescribed officer	Khalid Abdulla	khalid@aeei.co.za

BUSINESS ADDRESS AND REGISTERED OFFICE

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COMPANY REGISTRATION NUMBER

1996/006093/06

TRANSFER SECRETARIES

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Telefax: +27 86 674 4381
Website: www.linkmarketservices.co.za

AUDITORS

Grant Thornton Cape Inc.

SPONSOR

PSG Capital

LISTING

Johannesburg Stock Exchange
Sector: Diversified Industrials
Share code: AEE
ISIN code: ZAE000195731

NOTES