LEVEL OF ASSURANCE

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

Preparer
Natasha September
BCom (Hons) CA(SA)
Group Financial Controller

Auditors
Grant Thornton (Cpt) Inc.
Registered Auditors

Supervised by:
Chantelle Ah Sing
Group Chief Financial Officer

Published
4 November 2014

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
Salim Young	BProc LLB (UWC), LLM (Tulane University, USA)
Johannes Mihe Gaomab	Extensive board level experience
Prof Vukile Charles Mehana	BTh (Rhodes University), AMP (INSEAD Business School, France), Certificate on Public Enterprises (National University of Singapore), MBA (De Montfort University, UK), DPhil (University of Johannesburg), ordained minister of the Methodist Church of Southern Africa, adjunct professor of UCT: Graduate School of Business and Top Management Certificate on Public Enterprise (National University of Singapore)
Takudzwa Tanyaradzwa 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").

2. MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The audit and risk 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 auditor.

The committee held four scheduled meetings during 2013/14. Refer to page 48 for attendance by members of the committee.

3. EXTERNAL AUDITOR

The audit and risk committee nominated Grant Thornton (Cpt) Inc. as the independent auditor and Bernard van der Walt as the designated auditor, who is a registered independent auditor, for appointment for the 2015 audit.

The committee satisfied itself through enquiry that the external auditors are 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.

4. ANNUAL FINANCIAL STATEMENTS

Following the review of the annual financial statements and integrated report, the audit and risk committee recommends board approval thereof.

5. EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

As required by 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 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 in 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 objective 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 2014

REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF SEKUNJALO INVESTMENTS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sekunjalo Investments Limited, which comprise the consolidated and separate statements of financial position as at 31 August 2014, and the consolidated and separate statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 127 to 195.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on 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 auditors' 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 auditors consider 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 directors, 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 Sekunjalo Investments Limited as of 31 August 2014, and its consolidated and separate financial performance and 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 2014, we have read the Directors' Report, the Audit and Risk Committee's Report and the Report of the Company Secretary 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 (Cpt) Inc.

Grant Thornton (Cpt) Inc.
Registered Auditors
Chartered Accountants (SA)
Registration number: 2000/016512/21
B van der Walt

Cape Town
4 November 2014

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act, 2008 (No. 71 of 2008), as amended ("the Companies Act"), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, are in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The annual financial statements incorporate full and responsible disclosure in line with the philosophy of corporate governance and are prepared in accordance with the Companies Act and the JSE Listings Requirements.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company 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 Company 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 and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavour to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Directors have reviewed the Group and Company's cash flow forecast for the year to 31 August 2015 and, in the light of this review and the current financial position, they are satisfied that the Group and Company have or have had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group and Company's annual financial statements.

The annual financial statements have been examined by the Group and Company's external auditors and their report is presented on page 121.

The annual financial statements set out on pages 124 to 195, which have been prepared on the going concern basis, were approved by the Board of directors on 4 November 2014 and were signed on its behalf by:

Dr MI Survé
Executive chairman

K Abdulla
Chief executive officer

DIRECTORS' INTEREST IN CONTRACTS

During the period under review, no Director had any material interest in any contract of significance with Sekunjalo 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 33 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"), we 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
(Appointed 8 September 2014)

4 November 2014

C Hendricks
Company secretary
(1 September 2013 – 7 September 2014)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report for the year ended 31 August 2014.

1. REVIEW OF ACTIVITIES

MAIN BUSINESS AND OPERATIONS

Sekunjalo Investments Limited is a black-controlled investment holding company, 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.

The operating results and state of affairs of the Group and Company are fully set out in the attached financial statements. Refer to note 40 – Group Segmental Analysis for a detailed breakdown of the proportion of net income or loss attributable to the various divisions in the Group.

2. 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 undertaken to have a comprehensive review of the Group's corporate governance policies and procedures in the next year.

3. EVENTS AFTER THE REPORTING DATE

There were no material events after the reporting date.

4. GOING CONCERN

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.

5. LIQUIDITY AND SOLVENCY

The Directors have performed the liquidity and solvency tests required by the Companies Act, 2008 (No. 71 of 2008), 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.

6. AUTHORISED AND ISSUED SHARE CAPITAL

There were no changes in the authorised share capital of the Company during the year under review. There has been a change in the issued share capital during the year under review as a result of the conversion of the unlisted issued "A" class ordinary shares to the listed "B" class ordinary shares.

7. 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.

8. DIRECTORS

The Directors of the Company during the year and to the date of this report are as follows:

Dr MI Survé – resigned 6 November 2014
K Abdulla
CR Ah Sing
CF Hendricks
JM Gaomab
Prof. VC Mehana
S Young
AB Amod
TT Hove
Z Barends – appointed 14 November 2014

9. SECRETARY

The secretary of the Company is Carmelita Arendse of:

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

10. 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.

11. SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATES

The principal subsidiaries, joint ventures and associates are reflected in notes 41, 42 and 43.

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 120 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.

14. AUDITORS

The auditors, Grant Thornton (Cpt) Inc., have indicated their willingness to continue in office for the ensuing years. The audit and risk committee has satisfied itself of the independence of the auditors and the designated auditor. The resolution to reappoint Grant Thornton (Cpt) Inc. will be proposed at the next annual general meeting.

15. DIRECTORS' INTEREST IN SHARE CAPITAL

There have been no changes in the Directors' interest between 1 September 2014 and the date of this report. There has been a change in the issued share capital during the financial year ending 31 August 2014 with the conversion of the total unlisted issued "A" class ordinary shares to the listed "B" class ordinary shares. The balance of the unlisted issued "A" shares is nil. None of the Company's directors bought or sold "B" class ordinary shares in this period.

AS AT 31 AUGUST 2014

"B" class ordinary shares – listed

	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%

AS AT 31 AUGUST 2013

"A" class ordinary shares – unlisted

	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
Dr MI Survé	–	–	–	2 000 000	100%
Total	–	–	–	2 000 000	100%

15. DIRECTORS' INTEREST IN SHARE CAPITAL *continued*

"B" class ordinary shares – listed

	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
Dr MI Survé	–	–	–	264 769 581	54.11%
K Abdulla	1 575 316	–	–	24 056 098	5.24%
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	18 713 001	–	–	–	3.82%
Total	21 493 317	–	–	288 825 679	63.41%

16. VOTING RIGHTS

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

17. LITIGATION

There are no material legal actions against the Group.

18. CONTINGENT LIABILITIES

Contingent liabilities that existed on 31 August 2014 are disclosed in note 39.

19. DIVIDENDS

The Board of directors approved and declared a gross final dividend of 2 cents per share for the year ended 31 August 2014.

The dividend for the year amount to R9 826 789.

The dividend is payable on 23 February 2015 to shareholders recorded as such in the register of the Company on 20 February 2015 (the record date). The last date of trading cum dividend will be 13 February 2015.

20. 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 2014 are as follows:

- Approval of remuneration for executive and non-executive directors;
- Approval of inter-company financial assistance;
- Approval for the Company or its subsidiaries to repurchase Company shares; and
- Approval of subsidiaries of the Company to repurchase shares of such company.

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2014

		Group		Company	
	Notes	**2014 R'000**	2013 R'000	**2014 R'000**	2013 R'000
Assets					
Non-current assets					
Property, plant and equipment	2	**138 266**	126 890	**288**	–
Goodwill	3	**55 469**	37 325	**–**	–
Intangible assets	4	**336 367**	12 783	**33**	35
Investments in subsidiaries	5	**–**	–	**810 469**	766 664
Investments in associates	6	**–**	112 382	**–**	–
Loans to group companies	8	**–**	–	**112 826**	91 486
Other loans receivable	9	**2 065**	38 763	**–**	–
Other financial assets	10	**426 947**	380 644	**29 131**	33 906
Deferred tax	11	**11 901**	17 498	**1 225**	224
Prepayments		**226**	–	**–**	–
		971 241	726 285	**953 972**	892 315
Current assets					
Inventories	12	**22 305**	17 765	**–**	–
Biological assets	13	**36 014**	41 798	**–**	–
Loans to group companies	8	**–**	–	**46 973**	45 012
Other loans receivable	9	**245**	2 275	**–**	550
Current tax receivable		**556**	174	**112**	–
Trade and other receivables	14	**98 753**	70 497	**4 728**	683
Cash and cash equivalents	15	**47 118**	42 309	**49**	6 107
		204 991	174 818	**51 862**	52 352
Non-current assets held for sale	16	**1 852**	2 127	**–**	–
Total assets		**1 178 084**	903 230	**1 005 834**	944 667
Equity and liabilities					
Equity					
Equity attributable to equity holders of parent					
Share capital and share premium	17	**403 177**	403 177	**403 177**	403 177
Reserves	18	**8 034**	121 194	**–**	–
Retained income/(Accumulated loss)		**157 825**	(52 137)	**384 043**	351 382
		569 036	472 234	**787 220**	754 559
Non-controlling interest		**96 036**	4 762	**–**	–
		665 072	476 996	**787 220**	754 559
Liabilities					
Non-current liabilities					
Loans from group companies	8	**–**	–	**40 822**	18 848
Other financial liabilities	19	**135 445**	149 239	**31 400**	45 250
Finance lease obligation	20	**207**	36	**207**	–
Operating lease liability		**1 794**	598	**–**	–
Deferred tax	11	**210 489**	132 721	**113 610**	106 438
		347 935	282 594	**186 039**	170 536
Current liabilities					
Provisions	21	**26 507**	21 369	**3 895**	325
Current tax payable		**6 715**	4 009	**–**	467
Trade and other payables	22	**98 873**	77 848	**1 629**	2 400
Other financial liabilities	19	**27 933**	38 864	**22 216**	16 379
Finance lease obligation	20	**83**	206	**83**	–
Operating lease liability		**214**	130	**–**	–
Bank overdraft	15	**4 752**	1 214	**4 752**	1
		165 077	143 640	**32 575**	19 572
Total liabilities		**513 012**	426 234	**218 614**	190 108
Total equity and liabilities		**1 178 084**	903 230	**1 005 834**	944 667
Net asset value per share (cents)		**115.81**	96.50	**160.22**	154.20

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Revenue	23	**620 549**	569 198	**18 269**	22 607
Cost of sales		**(426 222)**	(390 711)	**–**	–
Gross profit		**194 327**	178 487	**18 269**	22 607
Other income		**4 710**	3 949	**–**	–
Operating expenses		**(145 590)**	(148 600)	**(23 164)**	(16 066)
Impairment reversals	24	**–**	–	**9 505**	28 046
Impairments	24	**(1 172)**	(32 913)	**(9 886)**	(44 207)
Investment revenue	26	**12 401**	19 935	**15 494**	9 197
Fair value adjustments	27	**46 303**	66 193	**39 030**	81 496
Gain on deemed disposal of associate	44	**22 556**	–	**–**	–
Loss from equity accounted investments	6	**(6 179)**	(8 039)	**–**	–
Finance costs	28	**(19 164)**	(20 347)	**(10 328)**	(9 300)
Profit before taxation	25	**108 192**	58 665	**38 920**	71 773
Taxation	29	**(5 759)**	(28 313)	**(6 259)**	(17 127)
Profit for the year		**102 433**	30 352	**32 661**	54 646
Total comprehensive income for the year		**102 433**	30 352	**32 661**	54 646
Total comprehensive income attributable to:					
Owners of the parent		**96 802**	29 734	**32 661**	54 646
Non-controlling interest (NCI)		**5 631**	618	**–**	–
		102 433	30 352	**32 661**	54 646
Profit attributable to:					
Owners of the parent		**96 802**	29 734	**32 661**	54 646
Non-controlling interest (NCI)		**5 631**	618	**–**	–
		102 433	30 352	**32 661**	54 646
Basic and diluted earnings per ordinary share (cents)	30	**19.76**	6.08		
Weighted average number of shares in issue ('000)		**489 887**	489 339		
Fully diluted weighted average number of shares in issue ('000)		**489 887**	489 339		
Number of shares in issue ('000)		**491 339**	489 339		

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2014

	Share capital R'000	Share premium R'000	Total share capital R'000	Reserves R'000	(Accumu-lated loss)/ Retained income R'000	Total attribut-able to equity holders of the Group R'000	Non-controlling interest R'000	Total equity R'000
Group								
Balance at 1 September 2012	**30**	**403 147**	**403 177**	**121 194**	**(81 548)**	**442 823**	**9 041**	**451 864**
Total comprehensive income for the year	–	–	–	–	29 734	29 734	618	30 352
Dividends declared to NCI by subsidiaries	–	–	–	–	–	–	(2 218)	(2 218)
Changes in ownership interest – control not lost	–	–	–	–	(323)	(323)	(2 580)	(2 903)
Business combination	–	–	–	–	–	–	(99)	(99)
Total changes	**–**	**–**	**–**	**–**	**29 411**	**29 411**	**(4 279)**	**25 132**
Balance at 1 September 2013	**30**	**403 147**	**403 177**	**121 194**	**(52 137)**	**472 234**	**4 762**	**476 996**
Total comprehensive income for the year	–	–	–	–	96 802	96 802	5 631	102 433
Transfer between reserves	–	–	–	(113 160)	113 160	–	–	–
Dividend declared to NCI by subsidiaries							(1 148)	(1 148)
Business combinations	–	–	–	–	–	–	86 791	86 791
Total changes	**–**	**–**	**–**	**(113 160)**	**209 962**	**96 802**	**91 274**	**188 076**
Balance at 31 August 2014	**30**	**403 147**	**403 177**	**8 034**	**157 825**	**569 036**	**96 036**	**665 072**
Notes	17	17	17	18				
Company								
Balance at 1 September 2012	**30**	**403 147**	**403 177**	**–**	**296 736**	**699 913**	**–**	**699 913**
Changes in equity								
Total comprehensive income for the year	–	–	–	–	54 646	54 646	–	54 646
Balance at 1 September 2013	**30**	**403 147**	**403 177**	**–**	**351 382**	**754 559**	**–**	**754 559**
Changes in equity								
Total comprehensive income for the year	–	–	–	–	32 661	32 661	–	32 661
Balance at 31 August 2014	**30**	**403 147**	**403 177**	**–**	**384 043**	**787 220**	**–**	**787 220**
Notes	17	17	17	18				

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2014

		Group		Company	
	Notes	2014 R'000	2013 R'000	2014 R'000	2013 R'000
Cash flows from operating activities					
Cash receipts from customers		592 293	576 135	14 224	30 394
Cash paid to suppliers and employees		(518 794)	(519 453)	(20 296)	(35 836)
Cash generated from/(used in) operations	31	73 499	56 682	(6 072)	(5 442)
Investment revenue	26	7 052	6 951	10 572	8 973
Dividends received	26	5 349	11 140	4 922	224
Finance costs	28	(19 164)	(20 347)	(10 328)	(9 300)
Tax paid	32	(9 708)	(9 249)	(668)	(1 000)
Dividends paid to NCI by subsidiaries		–	(2 218)	–	–
Net cash from operating activities		57 028	42 959	(1 574)	(6 545)
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(18 278)	(11 852)	(353)	–
Sale of property, plant and equipment	2	1 050	1 012	–	–
Purchase of other intangible assets	4	(4)	–	–	–
Business combinations	44	(1 740)	(490)	–	–
Loans advanced to group companies		–	–	(42 425)	(69 424)
Receipts from loans from group companies		–	–	49 471	60 357
Increase in other loan receivables		(13 389)	(3 243)	(845)	(779)
Decrease in other loan receivables		2 243	1 086	–	–
Net cash from investing activities		(30 118)	(13 487)	5 848	(9 846)
Cash flows from financing activities					
Repayment of other financial liabilities		(43 351)	(34 552)	(15 373)	(13 094)
Receipt of other financial liabilities		17 664	51 089	–	32 247
Advances to associate		–	(44 398)	–	(550)
Finance lease (payments)/advances		48	(202)	290	–
Net cash from financing activities		(25 639)	(28 063)	(15 083)	18 603
Total cash movement for the period		1 271	1 409	(10 809)	2 212
Cash at the beginning of the period		41 095	39 686	6 106	3 894
Total cash at end of the period	15	42 366	41 095	(4 703)	6 106

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 2008 (No. 71 of 2008), as amended and the Listing 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 2013. The adoption of these new and revised standards and interpretations, with the exception of IFRS 10 and IFRS 13, 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 7 Financial Instruments Disclosure	• Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations.	1 January 2013
IFRS 10 Consolidated Financial Statements	• New standard that replaces the consolidation requirements in SIC-12 Consolidation—Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess. • Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.	1 January 2013
IFRS 11 Joint Arrangements	• New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method for accounting for interests in jointly controlled entities. • Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	• New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. • Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.	1 January 2013
IFRS 13 Fair Value Measurements	• New guidance on fair value measurement and disclosure requirements.	1 January 2013
IAS 1 Presentation of Financial Statements	• Annual Improvements 2009 – 2011 Cycle: Amendments clarifying the requirements for comparative information including minimum and additional comparative information required.	1 January 2013
IAS 16 Property, Plant and Equipment	• Annual Improvements 2009 – 2011 Cycle: Amendments to the recognition and classification of servicing equipment.	1 January 2013
IAS 27 Consolidated and Separate Financial Statements	• Consequential amendments resulting from the issue of IFRS 10, 11 and 12.	1 January 2013
IAS 28 Investments in Associates	• Consequential amendments resulting from the issue of IFRS 10, 11 and 12.	1 January 2013

Standard	Details of amendments	Annual periods beginning on or after
IAS 32 Financial Instruments Presentation	• Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations.	1 January 2013
IAS 34 Interim Financial Reporting	• Annual Improvements 2009 – 2011 Cycle: Amendments to improve the disclosures for interim financial reporting and segment information for total assets and liabilities.	1 January 2013

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.

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 IFRSs.

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

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

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

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

The excess of the cost of the investment over the Group's share of the 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 the 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.

When the Group attains significant influence on level 3 financial assets that were previously accounted for at fair value through profit and loss, the cumulative gains and losses net of tax previously recognised are transferred out of retained income into a separate reserve until the investment is fully realised.

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 INVESTMENTS IN SUBSIDIARIES

Group annual financial statements

The Group annual financial statements include those of the holding company, subsidiaries, associates and joint ventures. On acquisition the Group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

Separate financial statements

In the Company's separate annual financial statements, investments in subsidiaries are carried at fair value through profit or loss.

Investments in subsidiaries are initially recognised at fair value which is equivalent to the cost. The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company.

An adjustment to the cost of a business combination contingent on future events is included at fair value as at the date of acquisition.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent's ownership interests in them. Non-controlling interests in the net assets consist of:

- the amount of those non-controlling interests at the date of the original combination calculated in accordance with IFRS 3; and
- the non-controlling interests' share of changes in equity since the date of the combination.

Where potential voting rights exist, the proportions of profit or loss and changes in equity allocated to the parent and non-controlling interests are determined on the basis of present ownership interests and do not reflect the possible exercise or conversion of potential voting rights.

Where losses attributable to the non-controlling interests exceed the non-controlling interests in the subsidiary's equity, the excess, and any further losses applicable to the non-controlling interests, is allocated against the parent interest except to the extent that the non-controlling interest have a binding obligation and are able to make an additional investment to cover the losses.

1.4 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.

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 at graded and 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.

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, whereafter 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.

1.5 PROPERTY, PLANT AND EQUIPMENT

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
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
Plant and machinery	1 – 36 years
Pharmaceutical books	3 – 7 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.

1.6 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.

1.7 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
Biosimiliar drug under development	20 years
Fishing quotas	4 – 7 years
Licenses and technologies	20 years
Novel compounds	20 years
Pharmaceutical dossiers	20 years
Software development	10 years
Trade marks	10 – 20 years

1.8 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 hedging instruments, consisting of foreign exchange contracts are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Changes in the fair value 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.

1.9 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.

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.

1.10 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.

Leased assets are depreciated over the shorter of the lease term and the asset's useful life.

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.

1.11 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.

1.12 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. An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the assets or disposal group to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised.

In addition, in order to be classified as non-current assets held-for-sale, the following criteria must be met:

- the assets (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
- actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

1.13 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.
- tests goodwill acquired in a business combination for impairment annually.

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

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

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

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

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

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

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

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

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

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

1.14 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.

1.15 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.

1.16 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 39.

1.17 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 and volume rebates, and value added tax.

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

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

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

1.18 COST OF SALES

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

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

1.19 BORROWING COSTS

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

1.20 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.

1.21 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.

Business segments comprise:

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

1.22 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.

1.23 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.

The Group has elected not to early adopt standards issued not effective.

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 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 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 9 Financial Instruments	• IFRS 9 ‘Financial Instruments (2014)’ replaces IAS 39 ‘Financial Instruments: Recognition and Measurement’	1 January 2018
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. • 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.	1 January 2014 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.	1 January 2016
IFRS 12 Disclosure of Interest in Other Entities	• New disclosures required for Investment Entities (as defined in IFRS 10).	1 January 2014

Standard	Details of amendments	Annual periods beginning on or after
IFRS 13 Fair Value Measurement	• Annual Improvements 2010 – 2012 Cycle: amendments to clarify the measurement requirements for those short-term receivables and payables.	1 July 2014
	• Annual Improvements 2011 – 2013 Cycle: amendments to clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9.	
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 2017
IAS 16 Property, Plant and Equipment	• Annual Improvements 2010 – 2012 Cycle: amendments to the revaluation method – proportionate restatement of accumulated depreciation.	1 July 2014
	• 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.	1 January 2016
	• 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.	1 January 2016
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
	• 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 24 Related Parties	• Clarification of the definition of a related party.	1 July 2014
IAS 27 Consolidated and Separate Financial Statements	• Amendments to introducing 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 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
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
	• 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

Interpretations	Annual periods beginning or after
IFRIC Interpretation 21 Levies	1 January 2014

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.

2. PROPERTY, PLANT AND EQUIPMENT

Group

	2014 Cost R'000	2014 Accumulated depreciation and impairments R'000	2014 Carrying value R'000	2013 Cost R'000	2013 Accumulated depreciation and impairments R'000	2013 Carrying value R'000
Buildings	3 361	(857)	2 504	3 361	(825)	2 536
Computer equipment	8 944	(7 153)	1 791	7 872	(6 220)	1 652
Computer software	579	(339)	240	826	(660)	166
Furniture and fixtures	4 432	(3 438)	994	5 043	(3 440)	1 603
Laboratory equipment	3 532	(89)	3 443	–	–	–
Land	3 470	–	3 470	3 470	–	3 470
Leasehold improvements	24 554	(11 915)	12 639	16 559	(11 006)	5 553
Motor vehicles	3 532	(2 966)	566	3 558	(2 874)	684
Office equipment	1 510	(1 186)	324	1 432	(1 102)	330
Plant and machinery	130 238	(91 263)	38 975	128 979	(89 016)	39 963
Vessels	154 954	(81 634)	73 320	140 553	(69 620)	70 933
Total	339 106	(200 840)	138 266	311 653	(184 763)	126 890

Company

	2014 Cost R'000	2014 Accumulated depreciation and impairments R'000	2014 Carrying value R'000	2013 Cost R'000	2013 Accumulated depreciation and impairments R'000	2013 Carrying value R'000
Computer equipment	87	(87)	–	87	(87)	–
Computer software	33	(33)	–	33	(33)	–
Motor vehicles	353	(65)	288	–	–	–
Total	473	(185)	288	120	(120)	–

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

2. PROPERTY, PLANT AND EQUIPMENT *continued*

Reconciliation of property, plant and equipment

Group – 2013

	Opening balance R'000	Additions R'000	Additions through business combina-tions R'000	Disposals R'000	Transfers to non-current assets held for sale R'000	Depre-ciation R'000	Total R'000
Buildings	2 594	–	–	–	–	(58)	2 536
Computer equipment	1 243	1 101	78	(17)	–	(753)	1 652
Computer software	197	43	–	–	–	(74)	166
Furniture and fixtures	1 447	468	57	(8)	–	(361)	1 603
Land	3 470	–	–	–	–	–	3 470
Leasehold improvements	5 554	597	–	–	–	(598)	5 553
Motor vehicles	155	769	–	–	–	(240)	684
Office equipment	373	52	–	–	–	(95)	330
Plant and machinery	45 514	100	–	–	(1 627)	(4 024)	39 963
Vessels	74 953	8 722	–	(1 108)	–	(11 634)	70 933
	135 500	11 852	135	(1 133)	(1 627)	(17 837)	126 890

Refer to note 44 for details of business combinations.

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.

Capital commitments

Refer to note 38 for details relating to capital commitments.

	Group		Company	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
Assets subject to finance lease (carrying amount)				
Motor vehicles	288	333	288	–

3. GOODWILL

Group

	2014 Cost R'000	2014 Accumulated impairment R'000	2014 Carrying value R'000	2013 Cost R'000	2013 Accumulated impairment R'000	2013 Carrying value R'000
Goodwill	**69 908**	**(14 439)**	**55 469**	51 764	(14 439)	37 325

Reconciliation of goodwill

Group – 2014

	Opening balance R'000	Additions through business combinations R'000	Other changes R'000	Total R'000
Goodwill	**37 325**	**18 074**	**70**	**55 469**

Reconciliation of goodwill

Group – 2013

Goodwill	34 191	3 134		37 325

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

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Technology Division	**13 458**	12 215	**–**	–
Enterprise Development Division	**4 788**	4 788	**–**	–
Health Care Division	**2 157**	2 157	**–**	–
Marine Division	**18 165**	18 165	**–**	–
Biotechnology Division	**16 901**	–	**–**	–
	55 469	37 325	**–**	–

Refer to note 24 for details of impairment testing.

Additional goodwill arose from the acquisition of 75% of Afrozaar Consulting CC in the Technology Division and the transition of 49.99% of Genius Biotherapeutics from an associate to a subsidiary as a result of change in control in terms of IFRS 10. Refer to note 5.

Refer to note 44 for details of the business combinations.

4. INTANGIBLE ASSETS

Group

	2014			2013		
	Cost R'000	**Accumulated amortisation R'000**	**Carrying value R'000**	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
Biosimiliar drug under development	**154 528**	**(164)**	**154 364**	–	–	–
Fishing quotas	**1 217**	**(783)**	**434**	1 217	(494)	723
Licenses and technologies	**5 484**	**(119)**	**5 365**	–	–	–
Novel compounds	**135 107**	**–**	**135 107**	–	–	–
Pharmaceutical dossiers	**64 741**	**(23 800)**	**40 941**	34 000	(22 100)	11 900
Software development	**12 625**	**(12 554)**	**71**	12 625	(12 554)	71
Trademarks	**181**	**(96)**	**85**	177	(88)	89
Total	**373 883**	**(37 516)**	**336 367**	48 019	(35 236)	12 783

Company

Trademarks	**51**	**(18)**	**33**	51	(16)	35

Reconciliation of intangible assets
Group – 2014

	Opening balance R'000	**Additions R'000**	**Additions through business combinations R'00**	**Amortisation R'000**	**Total R'000**
Biosimiliar drug under development	**–**	**–**	**154 528**	**(164)**	**154 364**
Fishing quotas	**723**	**–**	**–**	**(289)**	**434**
Licenses 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**	**325 860**	**(2 280)**	**336 367**

Reconciliation of intangible assets
Group – 2013

	Opening balance R'000	Disposals R'000	Transfers to non-current assets held for sale R'000	Amortisation R'000	Total R'000
Fishing quotas	1 051	–	–	(328)	723
Pharmaceutical dossiers	13 600	–	–	(1 700)	11 900
Software development	394	(84)	–	(239)	71
Trademarks	597	–	(500)	(8)	89
	15 642	(84)	(500)	(2 275)	12 783

4. INTANGIBLE ASSETS *continued*

Reconciliation of intangible assets

Company – 2014	Opening balance R'000	Amortisation R'000	Total R'000
Trademarks	**35**	**(2)**	**33**

Reconciliation of intangible assets

Company – 2013			
Trademarks	38	(3)	35

OTHER INFORMATION

Fishing quotas

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

Biosimiliar drug under development

Development costs were incurred for the improvement in the production process of Erythropoietin under the brand name of Repotin. The Biosimiliar drug under development does not have an indefinite useful life and the remaining period is 19 months.

Biosimiliar drug under development, Granulocyte Colony Stimulating Factor technology ("G-CSF"), was acquired through business combination of Genius Biotherapeutics. This product is still under 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 product has been tested for impairment.

Licences and technologies

The Group acquired the right to develop, manufacture and market a portfolio of biosimiliar therapeutic proteins for global and local markets. This includes G-CSF technologies which do not have indefinite useful lives and the remaining period is 139 months.

Novel compounds

Dendretic cell therapeutic vaccine is a cellular immunotherapy that was acquired through the business combination of Genius Biotherapeutics. This 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.

Pharmaceutical dossiers

26 pharmaceutical dossiers are held by Sekpharma (Pty) Ltd which includes Betnovate, Dermovate and Fortum.

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 Health Care Division.

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

Trademarks

The "New Promex" brand was purchased during the 2008 financial year. The useful life of the brand was assessed as being indefinite as it could not be determined when the economic benefits from this intangible asset would cease. The brand will be disposed of in the 2015 financial year.

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

All other patents and trademarks are internally generated.

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

Intangibles with indefinite useful lives

An assessment of the recoverable amount of the "New Promex" was based on the fair value less cost to sell, which was based on an offer made to purchase the intangible along with related items of plant and equipment. The asset was found not to be impaired.

Refer to note 24 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 2014 R'000	Carrying amount 2013 R'000
Investments in subsidiaries	810 469	766 664

Changes in ownership interest which did not result in loss of control

During the prior year the Group purchased 20 065 542 additional shares in Sekunjalo Health Care Ltd from non-controlling interest, increasing ownership interest from 84.09% to 94.03%.

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 the Group is 40% (2013: 40%).

The Group hold 49.99% of the issued share capital in Genius Biotherapeutics. This investment was equity accounted in the prior year due to certain restrictions in the shareholders' agreement. Due to no further funding received from other shareholders since 2012, the Group has committed itself to provide further funding, based on certain conditions, to enable Genius Biotherapeutics to progress to its next development phase. Due to these circumstances the other major shareholder has confirmed that they agree that the parent company obtain the power to direct the relevant activities of Genius Biotherapeutics effective June 2014. Other factors the Group considered in making this determination include the relative size and dispersion of holdings of other shareholders and board composition. As a result the Group has obtained control, in terms of IFRS 10, of Genius Biotherapeutics and it has been accounted for as a subsidiary.

Refer to note 44 for detail on the business combination.

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.

Subsidiary	Country of incorporation	Ownership interest held by non-controlling interest 2014 %	2013 %
Saratoga Software (Pty) Ltd Group	RSA	60	60
Genius Biotherapeutics	RSA	50.01	50.01

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

The difference between the carrying amount of non-controlling interest and the non-controlling interest's proportionate share of the net assets of the subsidiary is represented by goodwill.

5. INVESTMENTS IN SUBSIDIARIES *continued*

2014

Summarised statement of comprehensive income	Revenue R'000	Profit/ (loss) before tax R'000	Tax expense R'000	Profit/ (loss) R'000	Total compre-hensive income R'000	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
Profit or loss allocated to non-controlling interest						5 631

Summarised statement of cash flows	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net increase in cash flow	Dividends paid to non-controlling interest
Saratoga Software (Pty) Ltd Group	11 749	(983)	(5 021)	5 745	1 148
Genius Biotherapeutics	(15 209)	(2 003)	15 466	155	–
Total	(3 460)	(2 986)	10 445	5 900	1 148

2013

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	10 161
Non-controlling interest in all other subsidiaries							(5 399)
Non-controlling interest per statement of financial position							4 762

Summarised statement of comprehensive income	Revenue R'000	Profit before tax R'000	Tax expense R'000	Profit R'000	Total compre-hensive R'000	Profit allocated to non-controlling interest R'000
Saratoga Software (Pty) Ltd Group	73 367	10 336	(3 381)	6 959	6 959	1 769
Non-controlling interest in all other subsidiaries						(1 151)
Non-controlling interest per statement of financial position						618

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	Dividend paid to non-controlling interest R'000
Saratoga Software (Pty) Ltd Group	4 944	(818)	(2 126)	2 000	2 218

Other

Details of subsidiaries are available from the Company secretary. Refer to note 43 for the full list of subsidiaries.

Refer to note 45 for detail on assumptions and methods to determine fair value.

5. INVESTMENTS IN SUBSIDIARIES *continued*

Profits and losses of consolidated subsidiary companies attributable to the Company

	2014 R'000	2013 R'000
Aggregate profits after tax	133 181	96 835
Aggregate losses after tax	(36 370)	(48 352)

6. INVESTMENTS IN ASSOCIATES

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

Group

Name of company	Ownership interest 2014 %	Ownership interest 2013 %	Carrying amount 2014 R'000	Carrying amount 2013 R'000
Genius Biotherapeutics	–	49.99	–	112 382
Emergent Energy	25	25	–	–

Material associates

The following associates are material to the Group:

	Country of incorporation	Method	% Ownership interest 2014 %	% Ownership interest 2013 %
Genius Biotherapeutics	RSA	Equity	–	49.99

African Biotechnological and Medical Innovations Investments Proprietary Limited holds an investment in Genius Biotherapeutics. Up to June 2014 this investment was equity accounted. It was carried at cost less accumulated losses from Genius Biotherapeutics and is now accounted for as a subsidiary.

Refer to note 44 on detail of the business combination.

Summarised financial information of material associates

Summarised statement of comprehensive income	Genius Biotherapeutics 2014 R'000	Genius Biotherapeutics 2013 R'000	Emergent Energy (Pty) Ltd 2014 R'000	Emergent Energy (Pty) Ltd 2013 R'000	Total 2014 R'000	Total 2013 R'000
Revenue	–	–	9 603	8 474	9 603	8 474
Other income and expenses	(12 360)	(16 142)	(10 463)	(8 613)	(22 823)	(24 755)
Loss from continuing operations	(12 360)	(16 142)	(860)	(139)	(13 220)	(16 281)
Total comprehensive income	(12 360)	(16 142)	(860)	(139)	(13 220)	(16 281)
Summarised statement of financial position						
Assets						
Non-current	–	20 580	578	432	578	21 012
Current	–	1 344	2 435	2 320	2 435	3 664
Total assets	–	21 924	3 013	2 752	3 013	24 676
Liabilities						
Non-current	–	68 767	1 752	1 241	1 752	70 008
Current	–	2 300	2 410	1 800	2 410	4 100
Total liabilities	–	71 067	4 162	3 041	4 162	74 108
Total net (liabilities) assets	–	(49 143)	(1 149)	(289)	(1 149)	(49 432)
Reconciliation of net assets to equity accounted investments in associate						
Interest in associate at percentage ownership	–	112 382	–	–	–	112 382
Carrying value of investment in associate	–	112 382	–	–	–	112 382
Investment at beginning of period	112 382	120 421	–	–	112 382	120 421
Gain on deemed disposal of associate	22 556	–	–	–	22 556	–
Change in control	(128 759)	–	–	–	(128 759)	–
Share of profit	(6 179)	(8 039)	–	–	(6 179)	(8 039)
Investment at end of period	–	112 382	–	–	–	112 382

6. INVESTMENTS IN 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.

Refer to note 45 for detail on assumptions and methods used to determine fair value.

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 25% voting rights (5% equity interest) in Saab South Africa (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 material to the Group:

	Country of incorporation	Ownership interest 2014 %	Ownership interest 2013 %
Premier – BCP Hake	South Africa	**48**	48
Premier – Seacat	South Africa	**50**	50
Bloudam	South Africa	**38**	38

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

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

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

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

Group

Name of company	Held by	Ownership interest 2014 %	Ownership interest 2013 %	Carrying amount 2014 R'000	Carrying amount 2013 R'000
AmetHst (Pty) Ltd	Health Systems (Pty) Ltd	**50.00**	50.00	**–**	–
Exarro HST Ltd	Health Systems (Pty) Ltd	**50.00**	–	**–**	–
Premier Select (Pty) Ltd	Premier Fishing (Pty) Ltd	**50.00**	50.00	**–**	–

The Group has discontinued recognising its shares of losses of AmetHst (Pty) Ltd, as the investment is held at Rnil (2013: Rnil) and the Group has no obligation for any losses of the joint venture. The total unrecognised losses for the current period amount to R177 360 470 (2013: R41 084 778). The accumulated unrecognised losses to date amount to R358 264 104 (2013: R193 545 549).

There are no capital commitments relating to joint ventures.

7. JOINT ARRANGEMENTS *continued*

Summarised financial information of material joint ventures

	AmetHst (Pty) Ltd 2014 R'000	2013 R'000
Summarised statement of comprehensive income		
Other income and expenses	**(354 721)**	(56 812)
Profit before tax	**(354 721)**	(56 812)
Profit/(loss) from continuing operations	**(354 721)**	(56 886)
Total comprehensive income	**(352 721)**	(56 886)
Summarised statement of financial position		
Assets		
Current		
Other current assets	**206**	180
Total current assets	**206**	180
Current		
Current financial liabilities (excluding trade payables and provisions)	**10 682**	9 659
Other current liabilities	**705 953**	352 229
Total current liabilities	**716 635**	361 888
Total net assets	**(716 429)**	(361 708)

The summarised information presented above reflects the financial statements of the joint ventures the Group proportionate share.

Refer to note 45 on detail on assumptions and methods used to determine fair value.

8. LOANS TO/(FROM) GROUP COMPANIES

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Loans to/from group companies				
Loans from subsidiaries	**–**	–	**(40 822)**	(18 848)
	–	–	**159 799**	136 498
Loans to subsidiaries	**–**	–	**255 713**	232 875
Impairments of loans to subsidiaries	**–**	–	**(95 914)**	(96 377)
Total	**–**	–	**118 977**	117 650
Non-current assets	**–**	–	**112 826**	91 486
Current assets	**–**	–	**46 973**	45 012
Non-current liabilities	**–**	–	**(40 822)**	(18 848)
	–	–	**118 977**	117 650

The above loans are all unsecured and have no fixed terms of repayment.

Payment has been deferred for loan amounts as follows:

– Loans from subsidiaries	**–**	–	**(40 822)**	(18 848)
– Loans to subsidiaries	**–**	–	**255 713**	232 875
	–	–	**214 891**	214 027

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	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Reconciliation of allowance for impairment of loans to group companies				
Opening balance	**–**	–	**96 377**	80 994
Allowance for impairment	**–**	–	**9 042**	43 428
Reversal of previously impaired loans	**–**	–	**(9 505)**	(28 045)
	–	–	**95 914**	96 377

Loans are impaired to the extent to which the recoverability of the loan in a five-year period can not be demonstrated to the satisfaction of the Directors of the Company.

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				
Interest free	**–**	–	**141 533**	131 934
Prime overdraft rate	**–**	–	**(3 137)**	(7 191)
Prime overdraft plus 1%	**–**	–	**84 233**	68 753
Prime overdraft less 1.5%	**–**	–	**(35 156)**	–
Prime overdraft plus 3%	**–**	–	**25 482**	18 810
Prime overdraft plus 5%	**–**	–	**1 936**	1 721

Loans subordinated
Loans amounting to R245 340 121 (2013: R223 610 808) have been subordinated until such time as the assets of the counterparty fairly exceed the liabilities fairly valued.

9. OTHER LOAN RECEIVABLES

Interest-bearing loans	**479**	69 159	**–**	–
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.				
Non-interest-bearing loans	**35 561**	34 755	**4 526**	4 231
The above loans are unsecured and are repayable within 12 months from statement of financial position date.				
	36 040	103 914	**4 526**	4 231
Impairment of loans	**(33 730)**	(62 876)	**(4 526)**	(3 681)
	2 310	41 038	**–**	550
Non-current assets	**2 065**	38 763	**–**	–
Current assets	**245**	2 275	**–**	550
	2 310	41 038	**–**	550

9. OTHER LOAN RECEIVABLES *continued*

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.

Subordination

Loans amounting to Rnil (2013: R68 753 315) have been subordinated until such time as the assets of the counter party fairly valued exceed the liabilities fairly valued.

Reconciliation of allowance for impairment of other loan receivables

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Opening balance	**62 876**	31 670	**3 681**	2 902
Allowance for impairment	**1 281**	31 206	**845**	779
Reversal of impairment due to change in control	**(30 427)**	–	**–**	–
	33 730	62 876	**4 526**	3 681

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

At fair value through profit or loss – designated				
Investments in unlisted public companies	**2 106**	2 106	**2 106**	2 106
Investment in unlisted private companies	**235 983**	252 928	**27 025**	31 800
Investment in listed public companies	**188 858**	125 610	**–**	–
Total investments at fair value through profit and loss	**426 947**	380 644	**29 131**	33 906
Non-current assets				
Fair value through profit and loss designated	**426 947**	380 644	**29 131**	33 906

Refer to note 45 for details on assumptions and methods used to determine fair value.

11. DEFERRED TAX

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Deferred tax asset/(liability)				
Accelerated capital allowances on property, plant and equipment	(25 274)	(24 742)	–	–
Shipping allowance	(24 180)	(18 608)	–	–
Prepaid expenses	(983)	(811)	–	–
Fair value adjustments on other assets	(70 685)	(88 560)	(5 414)	(6 311)
Fair value adjustments on subsidiaries	–	–	(108 196)	(100 127)
Intangible assets acquired through business combination	(89 367)	–	–	–
Total deferred tax liability	(210 489)	(132 721)	(113 610)	(106 438)
Deferred tax asset				
Provisions	6 116	4 458	1 225	165
Income received in advance	2 053	2 041	–	59
Intangible assets	640	–	–	–
Operating lease liabilities	472	–	–	–
Deferred tax balance from temporary differences other than unused tax losses	9 281	6 499	1 225	224
Tax losses available for set off against future taxable income	2 620	10 999	–	–
	11 901	17 498	1 225	224
Total deferred tax asset	11 901	17 498	1 225	224
Deferred tax liability	(210 489)	(132 721)	(113 610)	(106 438)
Deferred tax asset	11 901	17 498	1 225	224
Total net deferred tax liability	(198 588)	(115 223)	(112 385)	(106 214)
Reconciliation of deferred tax asset/(liability)				
At beginning of year	(115 223)	(97 970)	(106 214)	(90 556)
Accelerated capital allowances on property plant and equipment	(532)	491	–	–
Tax losses available for set-off against future taxable income	(8 379)	(13 502)	–	(72)
Provisions	1 658	(604)	1 060	(433)
Prepaid expenses	(172)	165	–	–
Fair value adjustments on subsidiaries	–	–	(8 069)	(15 118)
Income received in advance	12	(61)	(59)	59
Fair value adjustment on other assets	(71 492)	(6 259)	897	(94)
Shipping allowance	(5 572)	2 517	–	–
Intangible assets	640	–	–	–
Operating lease liabilities	472	–	–	–
	(198 588)	(115 223)	(112 385)	(106 214)

Deferred tax acquired in a business combination

Deferred tax liability of R89 366 949 relating to intangible assets acquired through business combination was recognised.

12. INVENTORIES

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Raw materials	**2 900**	1 697	**–**	–
Finished goods	**16 720**	8 603	**–**	–
Merchandise	**209**	3 568	**–**	–
Consumables	**2 476**	3 897	**–**	–
	22 305	17 765	**–**	–

No inventory was written down to net realisable value.

Inventory pledged as security

Inventory with a carrying amount of R19 742 292 (2013: R13 821 161) was pledged as security for overdraft facilities of R32 065 000 (2013: R34 856 000) of the Group. At year-end the overdraft amounted to R4 752 446 (2013: R1 214 645).

13. BIOLOGICAL ASSETS

Reconciliation of biological assets

Group – 2014

	Opening balance R'000	Disposals R'000	Changes in fair value, births and deaths R'000	Total R'000
Abalone	**41 798**	**(37 528)**	**31 744**	**36 014**

Reconciliation of biological assets

Group – 2013

Abalone	38 537	(31 146)	34 407	41 798

Non-financial information

Quantities on hand at year-end

Abalone – kgs	75 052	89 718	–	–

Pledged as security

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

Methods and assumptions used in determining fair value

For fair value information refer to note 45.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Trade receivables	**75 224**	58 490	**4 660**	599
Prepayments	**4 231**	3 785	**58**	42
Value added tax	**4 968**	3 168	**–**	–
Other receivables	**14 330**	5 054	**10**	42
	98 753	70 497	**4 728**	683

Trade and other receivables pledged as security
Trade and other receivables with a carrying amount of R35 324 428 (2013: R24 866 793) were pledged as security for overdraft facilities of R32 065 000 (2013: R39 856 000) of the Group.

Credit quality of trade and other receivables
Thirty six per cent of the Group's trade receivables stem from sales within the marine 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 nine per cent of the Group's trade receivables stem from sales within the technology division. Sixty six 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.

Five per cent of the Group's trade 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 Enterprise development division contributes ten per cent of the Group's trade receivables, of which forty nine 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 ESP Afrika (Pty) Ltd in respect of festivals managed locally. Credit quality of foreign debtors in ESP Afrika (Pty) Ltd has been assessed as high as some amounts have not been recovered. Ongoing evaluation of all the debtors takes place. On an overall basis with the exception of foreign debtors in ESP Afrika (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 debtors 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 debtors.

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.

14. TRADE AND OTHER RECEIVABLES *continued*

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 August 2014, R8 335 982 (2013: R8 948 244) were past due but not impaired.

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

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
1 month past due	**3 160**	5 617	**–**	–
2 months past due	**3 321**	1 530	**–**	–
3 months past due	**1 854**	1 801	**–**	–
The carrying amount of trade and other receivables are denominated in the following currencies:				
Rand	**93 736**	70 815	**–**	–
US dollar	**10 376**	6 939	**–**	–
Reconciliation of allowance for impairment of trade and other receivables				
Opening balance	**6 729**	6 244	**402**	402
Allowance for impairment	**1 167**	633	**–**	–
Allowance for impairment reversed	**(192)**	(148)	**(402)**	–
	7 704	6 729	**–**	402

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.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Cash and cash equivalents consist of:				
Cash on hand	**47**	229	**3**	2
Bank balances	**47 071**	42 080	**46**	6 105
Bank overdraft	**(4 752)**	(1 214)	**(4 752)**	(1)
	42 366	41 095	**(4 703)**	6 106
Current assets	**47 118**	42 309	**49**	6 107
Current liabilities	**(4 752)**	(1 214)	**(4 752)**	(1)
	42 366	41 095	**(4 703)**	6 106

15. CASH AND CASH EQUIVALENTS *continued*

The bank overdrafts in the Group are secured by:

- Unlimited suretyships by Premfresh Seafoods (Pty) Ltd, supported by a cession of loan accounts;
- Unlimited suretyships by Marine Growers (Pty) Ltd, supported by a cession of loan accounts;
- Unlimited suretyships by Technology Solutions Ltd;
- Unlimited suretyships by Sekunjalo Properties (Pty) Ltd;
- Unlimited suretyships by Sekunjalo Industrial Holdings (Pty) Ltd;
- Unlimited suretyships by Sekunjalo Food and Fishing (Pty) Ltd;
- Unlimited suretyships by Wynberg Pharmaceuticals (Pty) Ltd;
- Unlimited suretyships by Health Systems Technologies (Pty) Ltd;
- Unlimited suretyships by Premier Fishing SA (Pty) Ltd;
- Unlimited suretyships by Sekunjalo Investments Ltd;
- Negative pledge of assets by Sekunjalo 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 Limited;
- First Maritime Bond for R40 000 000 by Premier Fishing SA (Pty) Ltd over marine vessels with a carrying amount of R35 844 692;
- First Special Notarial Bond for R3 450 000 by Premier Fishing SA (Pty) Ltd over marine vessels with a carrying amount of R3 332 333;
- 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;
- First continuous covering mortgage bond by Premier Fishing SA (Pty) Ltd for R10 000 000 over erf 11, St. Helena Bay;

Guarantees are as follows:

- Nedbank: R182 000
- Chevron South Africa (Pty) Ltd R3 000 000
- Other securities: Cession of Nedbank call counts and agreement to set off current account and foreign advance accounts.
- Cash security of R6 500 00 in favour of First National Bank Limited for AmetHst (Pty) Ltd, which expires on 1 September 2014.

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.

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.

During the initial one-year period, circumstances arose that were previously considered unlikely and, as a result, the non-current assets previously classified as held for sale were not sold at the end of the period. The Group took the action necessary to respond to the change in circumstances and the assets are being actively marketed at a price that is reasonable, given the change in circumstances.

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Assets and liabilities				
Non-current assets held for sale				
Property, plant and equipment	**1 352**	1 627	**–**	–
Intangible assets	**500**	500	**–**	–
	1 852	2 127	**–**	–

No impairments were recognised in respect of the items listed above.

17. SHARE CAPITAL

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 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
1 000 "A" class convertible redeemable cumulative preference shares	**1**	1	**1**	1
10 000 000 "B" class redeemable preference shares	**100**	100	**100**	100
	120	120	**120**	120
Issued				
NIL (2013: 2 000 000) "A" class ordinary shares of no par value	**–**	20	**–**	20
491 339 484 (2013: 489 339 484) "B" class ordinary shares of no par value	**30**	10	**30**	10
Share premium	**403 147**	403 147	**403 147**	403 147
	403 177	403 177	**403 177**	403 177

There has been a change in the issued share capital due to the conversion of the issued unlisted "A" class ordinary shares to listed "B" class shares.

"A" class ordinary shares carry five hundred votes per share and "B" class shares carry one vote per share.

18. RESERVE

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

The investment revaluation reserve of R113 159 996 previously recognised in Genius Biotherapeutics was transferred to retained income on 11 June 2014 when there was a change in control.

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Capital Redemption Reserve Fund	**8 034**	8 034	**–**	–
Revaluation reserve	**–**	113 160	**–**	–
	8 034	121 194	**–**	–

19. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Held at amortised cost				
Bank borrowings	**5 601**	8 396	**–**	–
The loans accrues interest linked to the prime overdraft rate and are repayable in monthly instalments over a five-year period.				
Borrowings from other financial institutions	**4 848**	10 070	**–**	–
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 Sekunjalo Investments Limited – Cession of uncumbered 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				
Redeemable cumulative preference shares	**92 420**	86 672	**–**	–
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 accrued interest at 99% of the prime interest rate.				
The preference shares to British Telecom SA (Pty) Ltd interest was calculated using 150bps above the Johannesburg Interbank Agreed Rate adjusted for dividends withholding tax rate. The liability has been fully paid during the year.	**–**	12 573	**–**	–
Loan from shareholder	**53 292**	61 053	**53 292**	61 053
The terms of the loan have been renegotiated and is repayable over the next two years. Interest accrues at prime interest rate plus 3% – 5% The loan is secured by: – Pledge and cession of shares in Marine Growers (Pty) Ltd in terms of debt guarantee – Covering mortgage bond over land in Gansbaai Pledge and cession of certain financial assets				
Other borrowings	**7 217**	9 339	**324**	576
	163 378	188 103	**53 616**	61 629
Non-current liabilities				
Non-current portion of financial liabilities	**135 445**	149 239	**31 400**	45 250
Current liabilities				
Current portion of financial liabilities	**27 933**	38 864	**22 216**	16 379
	163 378	188 103	**53 616**	61 629
Secured	**156 304**	178 283	**53 292**	61 053
Unsecured	**7 074**	9 820	**324**	576
	163 378	188 103	**53 616**	61 629

19. OTHER FINANCIAL LIABILITIES *continued*

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

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Property, plant and equipment	**76 400**	74 012	**–**	–
Biological assets	**36 014**	41 798	**–**	–
Trade and other receivables	**34 387**	26 794	**–**	–
Cash and cash equivalents	**–**	4 446	**–**	–
	146 801	147 050	**–**	–
Floating rates	**65 940**	94 946	**53 212**	61 063
Fixed rates	**92 420**	86 672	**–**	–
Interest free	**5 017**	6 484	**108**	576
Weighted average effective interest rate	**11.73%**	10.82%	**19.26%**	15.09%

At 31 August 2014, the carrying amount of borrowings approximates their fair value. Non-current interest-free borrowings approximate the amounts demandable.

Refer to note 45 on detail and assumptions used for fair values.

There were no loan defaults during the year.

The effect of discounting is immaterial.

20. FINANCE LEASE OBLIGATION

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Minimum lease payments due				
– within one year	**106**	216	**106**	–
– in second to fifth year inclusive	**230**	37	**230**	–
	336	253	**336**	–
Less: future finance charges	**(46)**	(11)	**(46)**	–
Present value of minimum lease payments	**290**	242	**290**	–
Present value of minimum lease payments due				
– within one year	**83**	206	**83**	–
– in second to fifth year inclusive	**207**	36	**207**	–
	290	242	**290**	–
Non-current liabilities	**207**	36	**207**	–
Current liabilities	**83**	206	**83**	–
	290	242	**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% (2013: 7%).

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 – 2014

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
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**

Reconciliation of provisions
Group – 2013

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Profit warranties	–	2 306	–	–	2 306
Provision for leave pay	6 029	3 369	(2 413)	(1 104)	5 881
Provision for salary bonuses	6 047	4 084	(3 282)	(860)	5 989
Product warranties	1 324	–	–	(1 324)	–
Other provisions	3 366	5 594	(1 767)	–	7 193
	16 766	15 353	(7 462)	(3 288)	21 369

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**

Reconciliation of provisions
Company – 2013

	Opening balance R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Provision of leave pay	1 352	(144)	(883)	325
Provision for salary bonuses	785	–	(785)	–
	2 137	(144)	(1 668)	325

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.

Product warranties comprise potential debtor claims as a result of the suspension of a government tender for HIV rapid diagnostic strips. The above provision represents management's best estimate of the liability based on the amount of cancelled sales. This has been reversed as it has been more than three years since the last payment and there has been no communication to or from the creditor.

The provision for bonuses is provided for when they accrue to employees with reference to services rendered 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 comprise of claims made by South African Revenue Service over outstanding value added tax in dispute. The provision represents management's best estimate of the Group's liability based on expected cash flows.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Trade payables	**47 348**	38 801	**587**	590
Amounts received in advance	**15 678**	19 426	**–**	209
Value added tax	**3 449**	3 154	**12**	552
Accrued expenses	**19 741**	10 559	**1 030**	1 049
Other payables	**12 657**	5 908	**–**	–
	98 873	77 848	**1 629**	2 400

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.

23. REVENUE

	Group 2014	Group 2013	Company 2014	Company 2013
Sale of goods	**362 179**	337 537	**–**	–
Rendering of services	**257 895**	230 941	**18 269**	22 607
Rental income	**475**	720	**–**	–
	620 549	569 198	**18 269**	22 607

24. IMPAIRMENT OF ASSETS

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Material impairment losses (recognised) reversed				
Loans to group companies	–	–	(9 041)	(43 428)
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 recoverable amount of the loans to Sekpharma (Pty) Ltd and African Biotechnology and Medical Innovation Investments (Pty) Ltd were less than the carrying amounts of the loans. These loans were therefore impaired.				
The recoverable amount was based on its value in use, being the present value of expected cash inflows over a five-year period and a terminal value calculation.				
The following assumptions were used: Originally effective interest rates: 18% – 30% Number of years: 5 – 10 Terminal growth rate: 4.5%				
Loans to Group companies	–	–	9 505	28 046
The impairment reversal relates to the loans advanced to the Sekunjalo Health Care Group and Sekunjalo Media Holdings Group.				
In the prior year the Directors embarked on a restructuring of the Sekunjalo Group which resulted in the Sekunjalo Health Care Group acquiring the investments in the Saratoga Software Group. The recoverable amount of the Sekunjalo Group has increase as a result.				
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	(1 172)	(32 913)	(845)	(779)
The impairment of other financial assets in 2013 mainly relates to loans advanced to Genius Biotherapeutics. The recoverable amount was determined by performing an annual cash flow forecast over a five-to-ten-year period and a terminal value calculation. This process forms the basis of testing the recoverability of loans advanced to the associate company.				
The following assumptions were used: Originally effective interest rates: 19% – 30% Number of years: 5 – 10 Terminal growth rate: 4.5%				
	(1 172)	(32 913)	(381)	(16 161)

24. IMPAIRMENT OF ASSETS *continued*

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Goodwill	**–**	–	**–**	–

The Group performs an annual impairment test on goodwill based on cash-generating units ("CGU"). The recoverable amount for each CGU 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.

Marine Division
Originally effective interest rates: 17% – 22%
Number of years: 5
Terminal growth rate: 4.5%

Enterprise Development Division
Originally effective interest rates: 27% – 29%
Number of years: 5
Growth rate: 4.5%

Technologies Division
Originally effective interest rates: 23% – 26%
Number of years: 5
Terminal growth rate: 4.5%

Health Care Division
Originally effective interest rates: 18% – 39%
Number of years: 5
Terminal growth rate: 4.5%

Biotechnology Division
Originally effective interest rates: 19% – 30%
Number of years: 5 – 10
Terminal growth rate: 4.5%

The recoverable amounts exceed the carrying amounts therefore no impairments are considered necessary.

Intangible assets with indefinite useful lives
The Group per forms an annual impairment test on intangible assets with indefinite useful lives based on cash-generating units ("CGU"). The recoverable amount for each intangible asset has been determined based on the value in use using the discounted cash flow method. Intangible assets with indefinite useful lives are disclosed in notes 4 and 16. The following are the principal assumptions that were used to calculate the recoverable amounts for each CGU, based on previous experience.

Health Care Division
Originally effective interest rates: 18% – 39%
Number of years: 5
Terminal growth rate: 4.5%

Biotechnology Division
Originally effective interest rates: 19% – 30%
Number of years: 5 – 10
Terminal growth rate: 4.5%

24. IMPAIRMENT OF ASSETS *continued*

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Carrying amounts of intangible assets tested for impairments are as follows:				
Health Care Division	500 000			
Biotechnology Division	319 167 676			

For further detail on segmental information refer to note 40.

25. PROFIT BEFORE TAX

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Profit before tax for the year is stated after accounting for the following:				
Operating lease charges				
Premises				
– Contractual amounts	7 771	7 553	2 773	3 579
Equipment				
– Contractual amounts	146	144	4	4
	7 917	7 697	2 777	3 583
Loss on sale of property, plant and equipment	(139)	(117)	–	–
Reversal of impairment on group loans	–	–	9 505	28 046
Impairment on group loans	–	–	(9 041)	(43 428)
Impairment on other financial assets	(1 172)	(32 913)	(845)	(779)
Profit on exchange differences	(1 680)	(62)	–	–
Amortisation on intangible assets	(2 280)	(2 275)	(2)	(3)
Depreciation on property, plant and equipment	(17 270)	(17 837)	(65)	–
Employee costs	(86 624)	(116 170)	(13 044)	(5 895)

26. INVESTMENT REVENUE

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Dividend revenue				
Listed public investments	2 401	1 844	–	–
Unlisted public investments	2 948	11 140	4 922	224
	5 349	12 984	4 922	224
Interest revenue				
Subsidiaries	–	–	10 568	8 970
Associates	5 434	5 693	–	–
Bank	749	390	4	3
Other interest	869	868	–	–
	7 052	6 951	10 572	8 973
	12 401	19 935	15 494	9 197

27. FAIR VALUE ADJUSTMENTS

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Investment in subsidiaries	–	–	43 805	80 993
Other financial assets	46 303	66 193	(4 775)	503
	46 303	66 193	39 030	81 496

28. FINANCE COSTS

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Group companies	–	–	2 650	1 432
Bank	2 709	4 433	328	668
Financial liabilities	8 276	8 290	–	–
Shareholder loans	7 283	7 200	7 283	7 200
Other interest paid	896	424	67	–
	19 164	20 347	10 328	9 300

29. TAXATION

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Major components of the tax expense				
Current				
Local income tax – current period	11 798	10 786	122	1 467
Local income tax – recognised in current tax for prior periods	369	(72)	(33)	–
	12 167	10 714	89	1 467
Deferred				
Originating and reversing temporary differences	(6 408)	17 599	6 170	15 660
	5 759	28 313	6 259	17 127

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 R207 371 763 (2013: R172 207 467).

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	1.60	3.84	–	–
Effect on capital gain inclusion	(5.95)	(10.53)	(9.38)	(10.64)
Exempt income	(1.41)	(6.20)	(10.38)	(11.07)
Disallowable charges	9.99	33.16	7.84	17.57
Effect due to change in control	(26.91)			
	5.32	48.27	16.08	23.86

30. HEADLINE EARNINGS PER SHARE

		2014		2013	
		Gross R'000	Net R'000	Gross R'000	Net R'000
Earnings attributable to ordinary equity holders of the parent entity	IAS 33		96 802		29 734
Losses on sale of property, plant and equipment	IAS 16	139	100	117	95
Gain on deemed disposal of associate	IFRS 3	(22 556)	(18 350)	–	–
Headline earnings			78 552		29 829
Weighted average number of shares ('000)			489 887		489 339
Fully diluted weighted average number of shares (R'000)			489 887		489 339
Basic and diluted earnings per share (cents)			19.76		6.08
Headline and diluted headline earnings per share (cents)			16.03		6.10

31. CASH GENERATED FROM/(USED IN) OPERATIONS

Profit before taxation	108 192	58 665	38 920	71 773
Loss before taxation from discontinued operation				
Depreciation and amortisation	19 550	20 112	68	3
Loss on sale of property plant and equipment	139	117	–	–
Loss from equity accounted investments	6 179	8 039	–	–
Dividends received	(5 349)	(12 984)	(4 922)	(224)
Interest received – investment	(7 052)	(6 951)	(10 572)	(8 973)
Finance costs	19 164	20 347	10 328	9 300
Fair value adjustments	(46 303)	(66 193)	(39 030)	(81 496)
Impairment loss	1 172	32 913	382	16 161
Movements in lease assets and accruals	1 280	2 268	–	–
Movements in provisions	5 138	4 603	3 570	(1 812)
Assets held for sale	275	–	–	–
Gain on deemed disposal of associate	(22 556)	–	–	–
Changes in working capital				
Inventories	(3 651)	86	–	–
Trade and other receivables	(27 901)	4 986	(4 045)	7 787
Prepayments	388	–	–	–
Biological assets	5 784	(3 261)	–	–
Trade and other payables	19 050	(6 065)	(771)	(17 961)
	73 499	56 682	(6 072)	(5 442)

32. TAX PAID

Balance at beginning of the year	(3 835)	(2 384)	(467)	–
Current tax for the year recognised in profit or loss	(12 167)	(10 714)	(89)	(1 467)
Adjustment in respect of business combination	135	14	–	–
Balance at end of the year	6 159	3 835	(112)	467
	(9 708)	(9 249)	(668)	(1 000)

33. RELATED PARTIES

		Group		Company	
		2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Relationships					
Subsidiaries	Refer to note 43				
Joint arrangements	Refer to note 41				
Associates	Refer to note 42				
Members of key management	Refer to note 34				
Common controlled entities	Cape Sunset Villas				
	Sekunjalo Development Foundation				
	The Survé Family Foundation				
	Independent Newspapers (Pty) Ltd				
Related party balances					
Loan accounts – Owing (to)/by related parties					
Subsidiaries		**–**	–	**214 890**	214 027
Associates		**–**	68 753	**–**	–
Holding company		**53 292**	61 053	**53 292**	61 053
Key management		**(324)**	(576)	**(324)**	(576)
Amounts included in trade receivable/(trade payable) regarding related parties					
Holding company		**(492)**	(806)	**(492)**	(806)
Subsidiaries		**–**	–	**4 566**	998
Subsidiaries		**–**	–	**–**	(699)
Related party transactions					
Interest paid to/(received from) related parties					
Subsidiaries		**–**	–	**(10 568)**	(8 954)
Subsidiaries		**–**	–	**2 650**	769
Associates		**(5 387)**	(5 693)	**–**	–
Holding company		**7 239**	7 200	**7 239**	7 200
Administration fees paid to/(received from) related parties					
Subsidiaries		**–**	–	**3 572**	3 524
Subsidiaries		**–**	–	**(17 634)**	(19 429)
Other transactions with related parties					
Common controlled entities		**2 385**	3 020	**1 466**	450
Subsidiaries		**–**	–	**1 075**	–
Holding company		**189**	–	**–**	–
Compensation to directors and other key management					
Employee benefits		**39 921**	35 239	**7 824**	7 841

Refer to note 34 for a detailed breakdown of directors' emoluments.

34. DIRECTORS' EMOLUMENTS

	Salary R'000	Bonus R'000	Provident fund R'000	Expense allowance R'000	Total R'000
Executive					
2014					
Dr MI Survé	**2 100**	**2 100**	**–**	**–**	**4 200**
K Abdulla	**1 170**	**–**	**246**	**98**	**1 514**
CF Hendricks	**713**	**100**	**96**	**11**	**920**
C Ah Sing	**915**	**100**	**128**	**47**	**1 190**
	4 898	**2 300**	**470**	**156**	**7 824**
2013					
Dr MI Survé	4 200	–	–	–	4 200
K Abdulla	1 627	–	273	18	1 918
CF Hendricks	628	100	135	10	873
C Ah Sing	721	–	120	9	850
	7 176	100	528	37	7 841

	Directors' fees R'000	Total R'000
Service contracts		
Non-executive		
2014		
JM Gaomab	**160**	**160**
S Young	**200**	**200**
Prof VC Mehana	**160**	**160**
AB Amod	**330**	**330**
	850	**850**
2013		
JM Gaomab	160	160
S Young	200	200
Prof VC Mehana	160	160
AB Amod	55	55
	575	575

35. 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 Groups 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 liquidity risk management policy.

35. RISK MANAGEMENT *continued*

Maturity profiles

Group	Up to 1 year* R'000	2 – 5 years R'000	Over 5 years R'000	Total R'000
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**
At 31 August 2013				
Trade and other payables	55 268	–	–	55 268
Finance lease obligations	206	36	–	242
Other financial liabilities	38 864	149 239	–	188 103
Bank overdraft	1 214	–	–	1 214
Company				
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**
At 31 August 2013				
Trade and other payables	1 639	–	–	1 639
Other financial liabilities	45 550	16 379	–	61 629
Loans from group companies	–	18 848	–	18 848
Bank overdraft	1	–	–	1

* Up to a year are 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.

35. 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 2014, 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 896 556 (2013: R2 245 996) 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	–	89 554	–
Cash in current bank institution	4.75	47 118	–
Trade and other payables – normal credit terms	9.25	127 094	–
Overdraft facilities used	9.25	4 752	–
Other financial liabilities	9.25 – 14.25	27 933	135 445
Finance lease obligation	9.00	83	207

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.

At 31 August 2014, 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 525 711 higher or lower (2013: R82 450), 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.

Had the currency been 10% up or down throughout the year profit after tax would have been R23 540 803 higher or lower (2013: R3 279 412).

Profit is more sensitive to movement in Rand/US dollar exchange rates in 2014 than 2013 because of the increased amount of US dollar-denominated sales.

Foreign currency exposure at the statement of financial position date

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Current assets				
Trade debtors, USD	**979**	674	**–**	–
Exchange rates used for conversion of foreign items were:				
USD	**10.59**	10.28		
EUR	**13.95**	13.62		

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The company expects its foreign exchange contracts to hedge foreign exchange exposure.

Financial 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.

35. RISK MANAGEMENT *continued*

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.

Certain trade receivables in the Enterprise development division have a high credit risk and have been impaired. Refer to individual notes for credit quality on individual balances.

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.

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 interest rate 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 as available for sale.

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	9.25%
– Cash	4.75%
– 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%.

36. FINANCIAL ASSETS BY CATEGORY

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

Group – 2014	Loans and receivables R'000	Fair value through profit or loss – designated R'000	Total R'000
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
Group – 2013			
Other financial assets	–	380 644	380 644
Trade receivables	63 544	–	63 544
Other loan receivables	41 038	–	41 038
Cash and cash equivalents	42 309	–	42 309
	146 891	380 644	527 535

Company – 2014	Loans and receivables R'000	Fair value through profit or loss – designated R'000	Total R'000
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
Company – 2013			
Loans to group companies	136 498	–	136 498
Other financial assets	–	33 906	33 906
Trade receivables	641	–	641
Investments in subsidiaries	–	766 664	766 664
Cash and cash equivalents	6 106	–	6 106
	143 245	800 570	943 815

37. FINANCIAL LIABILITIES BY CATEGORY

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

	Financial liabilities at amortised cost R'000	Total R'000
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
Group – 2013		
Other financial liabilities	188 103	188 103
Trade and other payables	55 268	55 268
Bank overdraft	1 214	1 214
Finance lease obligation	242	242
	244 827	244 827

37. FINANCIAL LIABILITIES BY CATEGORY *continued*

	Financial liabilities at amortised cost R'000	Total R'000
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**
Company – 2013		
Loans from group companies	18 848	18 848
Other financial liabilities	61 629	61 629
Trade and other payables	1 639	1 639
	82 116	82 116

38. COMMITMENTS

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Authorised capital expenditure				
Authorised by directors and not yet contracted for	**11 991**	13 286	**–**	–

This committed expenditure relates to plant and equipment and will be financed by available bank facilities over the next 12 months.

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Operating leases – as lessee (expense)				
Minimum lease payments due				
– within one year	**7 023**	6 440	**–**	–
– in second to fifth year inclusive	**22 941**	29 070	**–**	–
– later than five years	**339**	1 232	**–**	–
	30 303	36 742	**–**	–

The Marine 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 5 years. The lease contract with the Departments of Public Works is for a period of 9 years and 11 months.

39. CONTINGENCIES

Contingencies relating to interests in joint ventures

As previously disclosed and advised, the claim by the Gauteng Department of Health against Baoki Consortium still exists. 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 shareholders have ceased all legal proceedings and commenced with the liquidation of the Company on 6 October 2014.

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

40. SEGMENTAL INFORMATION

	Technology R'000	Marine R'000	Health Care R'000	Biotechnology R'000	Investments R'000	Enterprise development R'000	Group R'000
31 August 2014							
Revenue	**184 991**	**315 119**	**22 986**	**–**	**19 141**	**99 185**	**641 422**
External sales	**184 927**	**314 938**	**22 392**	**–**	**651**	**97 641**	**620 549**
Intergroup sales	**64**	**181**	**594**	**–**	**18 490**	**1 544**	**20 873**
Segment results	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operating profit/(loss)	**19 711**	**51 243**	**(6 471)**	**(3 298)**	**30 568**	**6 834**	**98 578**
Included in segment results:	**(899)**	**(15 494)**	**(2 202)**	**(821)**	**45 250**	**(253)**	**25 581**
(Impairments)/reversals of impairments	**109**	**–**	**(436)**	**–**	**(845)**	**–**	**(1 172)**
Depreciation and amortisation	**(1 008)**	**(15 494)**	**(1 766)**	**(821)**	**(214)**	**(247)**	**(19 550)**
Fair valuation of investments	**–**	**–**	**–**	**–**	**46 309**	**(6)**	**46 303**
Carrying value of assets	**92 911**	**248 286**	**29 091**	**354 164**	**432 937**	**20 695**	**1 178 084**
Carrying value of liabilities	**56 652**	**119 176**	**9 223**	**90 141**	**218 646**	**19 174**	**513 012**
Loss from associates	**–**	**–**	**–**	**(6 179)**	**–**	**–**	**(6 179)**
Capital expenditure	**1 703**	**15 985**	**–**	**9**	**517**	**68**	**18 282**
31 August 2013							
Revenue	193 031	272 729	16 918	–	24 017	88 888	595 583
External sales	192 906	272 464	16 382	–	1 110	86 336	569 198
Intergroup sales	125	265	536	–	22 907	2 552	26 385
Segment results	–	–	–	–	–	–	–
Operating profit/(loss)	35 225	24 613	(9 219)	(30 494)	54 427	(7 436)	67 116
Included in segment results:	(1 179)	(18 217)	(2 007)	(30 427)	65 078	(80)	13 168
(Impairments)/reversals of impairments	(95)	(1 612)	–	(30 427)	(779)	–	(32 913)
Depreciation and amortisation	(1 084)	(16 605)	(2 007)	–	(160)	(256)	(20 112)
Fair valuation of investments	–	–	–	–	66 017	176	66 193
Carrying value of assets	74 904	233 829	34 784	150 708	391 408	17 597	903 230
Carrying value of liabilities	45 935	105 169	6 896	24 972	219 305	23 957	426 234
Loss from associates	–	–	–	(8 039)	–	–	(8 039)
Capital expenditure	465	9 841	713	–	864	99	11 982

Information on geographical regions
The operations of the Group are domiciled in South Africa. A total of 38% of external revenue is attributable to foreign sales mainly to the United States of America (15%), Far East (17.4%) and Europe (5.4%).

Information on customers
11.4% 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 6.6% of the Groups revenue.

41. INFORMATION ON JOINT ARRANGEMENTS

Name of joint arrangements	Date of acquisition	Effective % held 2014	2013	Nature of business
Bloudam	1 September 2003	**18**	18	Packaging of west coast rock lobster
Premier – BCP Hake	1 March 2003	**48**	48	Catching of hake
Premier Seacat	1 November 2002	**50**	50	Catching of squid
Premier Select (Pty) Ltd	1 September 2006	**50**	50	Dormant
AmetHst (Pty) Ltd	1 September 2008	**47.02**	47.02	Information Technology
Exarro HST Ltd	1 September 2013	**47.02**	–	Information Technology

42. INFORMATION ON ASSOCIATES

Genius Biotherapeutics	1 September 2007	**–**	49.99	Biotechnology
Emergent Energy (Pty) Ltd	1 November 2010	**23.51**	23.51	Renewable energy

43. INFORMATION ON SUBSIDIARIES

	Issued capital	
	2014	2013
Name of subsidiary	**R'000**	R'000
African Biotechnological and Medical Innovations Investments (Pty) Ltd	**300**	300
Afrozaar Consulting CC	**100**	100
Atlantic Fishing Enterprises (Pty) Ltd	**100**	100
Chapman's Peak Fisheries (Pty) Ltd	**18 000**	18 000
Chapman's Peak Fish Processors (Pty) Ltd	**300**	300
Digital Matter (Pty) Ltd	**100**	100
Events Social Marketing and Productions Afrika (Pty) Ltd	**100**	100
Fish Drying Corporation (Pty) Ltd	**4**	4
Friedshelf 860 (Pty) Ltd	**100**	100
Health System Technologies (Pty) Ltd	**2 000**	200
– Voting	**–**	–
Hostprops 136 (Pty) Ltd	**100**	100
Genius Biotherapeutics	**20**	20
Imagination Advisory and Distribution Services (Pty) Ltd	**100**	100
John Ovenstone Ltd	**1 042 000**	6 000
John Quality (Pty) Ltd	**6 000**	6 000
Kuttlefish (SA) (Pty) Ltd	**10**	10
Premier Fishing (SA) (Pty) Ltd	**100 000**	100 000
Premfresh Seafoods (Pty) Ltd	**100**	100
Ribotech (Pty) Ltd	**5**	5
Marine Growers (Pty) Ltd	**1 000**	1 000
Saratoga Software (Pty) Ltd	**8 073**	8 073
Seagro Fertilisers (Pty) Ltd	**8**	8
Sekfish Investments (Pty) Ltd	**200**	200
Sekpharma (Pty) Ltd	**100**	100
– Voting	**–**	–
Sekunjalo Aquaculture (Pty) Ltd	**100**	100
Sekunjalo Capital (Pty) Ltd	**100**	100
Sekunjalo Food and Fishing (Pty) Ltd	**100**	100
Sekunjalo Technology Solutions Ltd	**716 052**	716 052
– Voting	**–**	–
Sekunjalo Health and Medical Commodities (Pty) Ltd	**100**	100
Sekunjalo Industrial Holdings (Pty) Ltd	**100**	100
Sekunjalo Media Holdings (Pty) Ltd	**100**	100
Sekunjalo Medical Services (Pty) Ltd	**100**	100
– Voting	**–**	–
Sekunjalo Medical Trading (Pty) Ltd	**100**	100
– Voting	**–**	–
Sekunjalo Motor Holdings (Pty) Ltd	**120**	120
Sekunjalo Properties (Pty) Ltd	**100**	100
Sekunjalo Technologies Solutions Group (Pty) Ltd	**100**	100
South Atlantic Jazz Festival (Pty) Ltd	**100**	100
Southern Ocean Fishing (Pty) Ltd	**100**	100
Tripos Travel Investments (Pty) Ltd	**100**	100
World Wide Creative (Pty) Ltd	**100**	100
Wisdom Global (Pty) Ltd	**100**	100
Wynberg Pharmaceuticals (Pty) Ltd	**100**	100
– Voting	**–**	–

Effective % held		
2014 R'000	2013 R'000	**Nature of business**
100	100	Biotechnology investments
32	–	Information technology
100	100	Fishing
100	100	Fishing
100	100	Aquaculture
32	32	Information technology
51	51	Event management
100	100	Dormant company
80	80	Media investments
94	94	Information technology
94	94	
100	100	Dormant company
49.99	–	Biotechnology
100	100	Financial services
100	100	Dormant company
100	100	Dormant company
100	100	Dormant company
100	100	Fishing
100	100	Fishing
30	30	Biotechnology
100	100	Fishing
40	40	Information technologies
100	100	Marine agriculture
100	100	Fishing investments
100	100	Pharmaceuticals
100	100	
100	100	Marine agriculture
100	100	Financial services investments
100	100	Fishing investments
94	94	Medical investments
94	94	
94	94	Medical investments
100	100	Fishing investments
100	100	Media investments
94	94	Dormant company
94	94	Medical investments
94	94	Dormant company
94	94	
100	100	Motor industry
100	100	Properties
100	100	IT investments
51	51	Media
80	80	Dormant company
41	41	Travel
32	32	Information technology
75	75	Dormant company
94	94	Medical manufacturing
94	94	

44. BUSINESS COMBINATIONS

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Aggregated fair values of assets acquired and liabilities assumed				
Property, plant and equipment	**11 557**	135	**–**	–
Intangible assets	**325 860**	–	**–**	–
Deferred tax	**–**	146	**–**	–
Prepayments	**614**	–	**–**	–
Loans to members	**11**	–	**–**	–
Inventories	**889**	–	**–**	–
Loans to directors, managers and employees	**(676)**	(564)	**–**	–
Current tax receivable	**135**	(14)	**–**	–
Trade and other receivables	**395**	1 951	**–**	–
Cash and cash equivalents	**465**	635	**–**	–
Deferred income	**–**	(931)	**–**	–
Deferred tax	**(89 367)**	–	**–**	–
Loans from group companies	**(49 566)**	–	**–**	–
Trade and other payables	**(1 974)**	(962)	**–**	–
Total identifiable net assets	**198 343**	396	**–**	–
Non-controlling interest	**(86 791)**	(99)	**–**	–
Fair value of equity interest held before the business combination	**(128 760)**	–	**–**	–
Goodwill	**18 074**	3 134	**–**	–
	866	3 431	**–**	–
Net cash outflow on acquisition				
Cash consideration paid	**(866)**			
Cash acquired	**465**	635	**–**	–
	(401)	635	**–**	–

44. BUSINESS COMBINATIONS *continued*

Genius Biotherapeutics

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

This investment was accounted for as an associate in the prior year due to certain shareholder restrictions.

The other major shareholder of Genius has confirmed that they agree that ABMI obtain the power to direct the relevant activities of Genius effective June 2014. As a result ABMI has obtained control of Genius and will be accounted for as a subsidiary.

Genius is South Africa's and Africa's largest medical biotechnology company with strategic interests in biosimilars and novel compounds.

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 purpose.

Fair value of assets acquired and liabilities assumed

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 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)**	–	**–**	–
Loans from holding company	**(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 is measured at the present ownership interest proportionate share of the aquiree's identifiable net assets.

Fair value of equity interest held before the acquisition

The measurement to fair value of the equity interest held in Genius Biotherapeutics immediately prior to the acquisition, resulted in a gain of R22 555 765 which has been included in gain on deemed disposal of associate in the statement of comprehensive income.

Loss of Genius Biotherapeutics

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

Additional information

The assumptions and factors that contribute to overall intrinsic value of the investment are as follows:

- The forecast cash flows are dependent on cost of production, disease prevalence and market penetration in the selected markets
- Discount rates are between 19% and 30%
- Explicit cash flows were forecasted for a ten-year period after which a terminal value was calculated using a perpetuity growth rate
- Adjustment were made to the discount rate and cash flows for the risks and timing associated with market entry
- The shareholders will continue to source and provide the forecasted financial support required for the business to become cash generative
- After the company has completed stages 1 to 3, capital requirements will be assessed and evaluated annually to find the appropriate funding mechanism to grow the investment in the future.

44. 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 Afrozaar Consulting CC will only be completed on 1 September 2014. A loan was granted in March 2014 as part of the purchase agreement which allowed the Group control of Afrozaar in terms of IFRS 10. All transactions for the six months from 1 March 2014 to 31 August 2014 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	
	2014 R'000	2013 R'000	**2014 R'000**	2013 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 is measured at the present ownership interest proportionate share of the acquiree's identifiable net assets.

Contingent consideration agreements

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.

Acquisition date fair value of consideration paid

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Contingent consideration arrangement	**(866)**	–	**–**	–

44. BUSINESS COMBINATIONS *continued*

World Wide Creative (Pty) Ltd

On 1 June 2013 the Saratoga Software Group in the Technology Division acquired 75% of the voting equity interest of World Wide Creative (Pty) Ltd which resulted in the Group obtaining control over World Wide Creative (Pty) Ltd. World Wide Creative (Pty) Ltd is principally involved in digital marketing.

Goodwill of R3 134 458 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.

	Group		Company	
Fair value of assets acquired and liabilities assumed	**2014 R'000**	2013 R'000	**2014 R'000**	2013 R'000
Property, plant and equipment	–	135	–	–
Deferred tax	–	146	–	–
Loans to directors, managers and employees	–	(564)	–	–
Current tax receivable	–	(14)	–	–
Trade and other receivables	–	1 951	–	–
Cash and cash equivalents	–	635	–	–
Deferred income	–	(931)	–	–
Trade and other payables	–	(962)	–	–
Total identifiable net assets	–	396	–	–
Non-controlling interest	–	(99)	–	–
Goodwill	–	3 134	–	–

Non-controlling interest

Non-controlling interest is measured at the present ownership interest proportionate share of the acquiree's identifiable net assets.

Contingent consideration agreements

The contingent consideration arrangement requires the Group to pay the previous owners of World Wide Creative (Pty) Ltd an amount equal to R2 551 204 if a minimum profit of R550 000 to R6 400 000 is achieved within 5 years after the acquisition. The contingent consideration arrangement is capped at R8 054 375.

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 R5 300 590.

Acquisition date fair value of consideration paid

	Group		Company	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Cash	–	(1 125)	–	–
Contingent consideration arrangement	–	(2 306)	–	–
	–	(3 431)	–	–

45. 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.

45. FAIR VALUE INFORMATION *continued*

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets	Notes	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Financial assets designated at fair value through profit or loss	10				
Listed shares		**188 858**	125 610	**–**	–

Level 3

Recurring fair value measurements

Assets	Notes	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Biological assets	13				
Abalone		**36 014**	41 798	**–**	–
Investments in subsidiaries at fair value	5				
Investments in unlisted subsidiaries		**–**	–	**810 469**	766 664
Investments in associates at fair value	6				
Investments in unlisted associates		**–**	112 382	**–**	–
Financial assets designated at fair value through profit or loss	10				
Investments in unlisted public companies		**2 106**	2 106	**2 106**	2 106
Investments in unlisted private companies		**235 983**	252 928	**34 438**	31 800
Total financial assets designated at fair value through profit or loss		**238 089**	255 034	**36 544**	33 906

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.

Reconciliation of assets and liabilities measured at level 3

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	Closing balance R'000
Biological assets							
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

45. FAIR VALUE INFORMATION *continued*

Group – 2013 Assets	Notes	Opening balance R'000	Gains/losses recognised in profit or loss R'000	Additions R'000	Disposal R'000	Closing balance R'000
Biological assets						
Abalone		38 537	34 407	–	(31 146)	41 798
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		227 648	25 280	–	–	252 928
Total financial assets designated at fair value through profit or loss		229 754	25 280	–	–	255 034
Total		268 291	59 687	–	–	296 832

Company – 2014 Assets	Notes	Opening balance R'000	Gains/losses recognised in profit or loss R'000	Additions R'000	Disposals 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
Company – 2013						
Assets						
Investments in subsidiaries at fair value	5					
Investments in unlisted subsidiaries		680 171	80 993	5 500	–	766 664
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		31 297	503	–	–	31 800
Total financial assets designated at fair value through profit or loss		33 403	503	–	–	33 906
Total		713 574	81 496	5 500	–	800 570

45. FAIR VALUE INFORMATION *continued*

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, 14 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.

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

Biological assets
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. A weight loss of 14% was used in the valuation. 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 R386 133.

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 R250 610 lower or higher.

No changes have been made to the valuation technique.

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 2014	WACC 2013
Marine Division	**17% – 22%**	17% – 22%
Technology Division	**23% – 26%**	24% – 26%
Investments Division	**17% – 18%**	18% – 20%
Health Care Division	**18% – 39%**	18% – 20%
Biotechnology Division	**19% – 30%**	–
Enterprise Development Division	**27% – 29%**	25% – 27%
Target debt/equity ratio	**0% – 75%**	0% – 50%
Beta	**1.00 – 1.50**	1.00 – 1.50
Specific risk premium	**1% – 24%**	2% – 10%
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	**2014 R'000**	2013 R'000
Cost of debt	1%	**16 943**	8 939
Beta	0.1	**30 930**	21 389
Weighted average cost of capital	1%	**69 284**	46 548
Specific risk premium	1%	**50 361**	36 786
Target debt/equity ratio	10%	**70 200**	39 025
Terminal growth rate	1%	**37 679**	26 369

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.

45. FAIR VALUE INFORMATION *continued*

Significant assumptions	**2014 R'000**	2013 R'000
Weighted average cost of capital	**17% – 18%**	18% – 23%
Target debt/equity ratio	**20% – 50%**	0% – 30%
Beta	**1.00 – 1.30**	1.30 – 1.50
Specific risk premium	**3% – 5%**	2% – 9%
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	**2014 R'000**	2013 R'000
Cost of debt	1%	**3 663**	2 669
Beta	0.1	**9 758**	6 104
Weighted average cost of capital	1%	**19 082**	14 109
Specific risk premium	1%	**15 855**	11 124
Target debt/equity ratio	10%	**17 354**	13 577
Terminal growth rate	1%	**13 039**	7 409

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 Chief Financial Officer (CFO). The valuation reports are discussed with the Investment and Audit committee in accordance with the Group's reporting policies.

SHAREHOLDERS' INFORMATION

DATES OF IMPORTANCE

ANNUAL GENERAL MEETING

26 February 2015, at 15:00 at the Sekunjalo Head Office, Premier Fishing, Quay 7, East Pier, V&A Waterfront

FINANCIAL REPORTS

Announcement of interim results	May 2015
Interim report	May 2015
Announcement of annual results	November 2015
Integrated report	November 2015

ADMINISTRATION

COMPANY SECRETARY

Carmelita Arendse

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1996/006093/06

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AUDITORS

Grant Thornton (Cpt) Inc.

SPONSOR

PSG Capital

LISTING

Johannesburg Stock Exchange
Sector: Diversified Industrials
Share code: SKJ
ISIN code: ZAE000017893

GREYMATTER & FINCH # 8064