African Equity Empowerment Investments Limited
(Registration number 1996/006093/06)
Annual Financial Statements
for the year ended 31 August 2019

These annual financial statements were prepared by:
Kudakwashe Gutsa
BCom Accounting
Group Accountant

BDO South Africa Incorporated
Chartered Accountants (SA)
Registered Auditor

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

Issued 21 September 2020

African Equity Empowerment Investments Limited
(Registration number 1996/006093/06)

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
AUDITORS	BDO South Africa Incorporated Chartered Accountants (SA) Registered Auditor Registration number: 2000/016512/21
COMPANY REGISTRATION NUMBER	1996/006093/06
LEVEL OF ASSURANCE	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
PREPARER	The annual financial statements were internally compiled by: Kudakwashe Gutsa BCom Accounting Group Accountant
ISSUED	21 September 2020
REVIEWER	Michelle Hunlun CA(SA) Group Finance Manager

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the 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 company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the 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 company. All employees are required to maintain the highest ethical standards in ensuring the company's business are conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors reviewed the company's cash flow forecast for the year to 31 August 2020 and in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 9 to 13.

The annual financial statements set out on pages 14 to 65, which have been prepared on the going concern basis, were approved by the board of directors on 21 September 2020 and were signed on their behalf by:

V Dzvova	**J S Van Wyk**

African Equity Empowerment Investments Limited

(Registration number 1996/006093/06)

COMPANY SECRETARY'S CERTIFICATION

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

In my opinion as Company Secretary, I hereby confirm, in terms of the Companies Act 71 of 2008, for the year ended 31 August 2019, that the company has lodged with the Commissioner of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

I declare that, to the best of my knowledge, the company has lodged with the Commissioner of Companies all such returns as are required of a public company in terms of the Companies Act 71 of 2008, and that all such returns are true, correct and up to date.

D Terblanche
Company Secretary
Cape Town

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of African Equity Empowerment Investments Limited for the year ended 31 August 2019.

1. NATURE OF BUSINESS

African Equity Empowerment Investments Limited was incorporated in South Africa with interests in the Investment holding industry. The company operates in South Africa, rest of Africa and Europe.

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act,the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA financial reporting guides issued by the Accounting Practices Committee and the Listings Requirements of the JSE Limited. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. CORPORATE GOVERNANCE

The directors subscribe to the principles incorporated in the King IV™ Report on Corporate Governance™ for South Africa (King IV™) and, save as disclosed in the corporate governance review, have compiled as far as practical with principles contained therein throughout the reporting period. The directors recognise the need to conduct the Company with integrity and in accordance with generally accepted corporate practices. The Board and the Board committees have reviewed the Company's corporate governance policies and procedures in the current year and no issues were identified.

4. EVENTS AFTER THE REPORTING PERIOD

Following the recent COVID-19 virus pandemic, certain financial pressures will be placed onto the Company. After reviewing the updated cash flow forecasts and cost cutting measures implemented by the Company, the directors believe that the Company still has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. Some of the measures that have been implemented to mitigate the risks arising from this force majeure event and to enable the Company to remain sustainable include:

Suspension of provident and pension fund contributions
Negotiations with suppliers for extended credit terms ranging for up to 6 months
Temporary deferral or reductions in lease payments
Other costs reductions

The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes, except for the COVID-19 pandemic that may economically impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

5. AUTHORISED AND ISSUED SHARE CAPITAL

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

6. DIVIDENDS

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

A final dividend of 6 cents per share was approved by the Board of directors on Monday, 23 December 2019 in South Africa currency in respect of the year ended 31 August 2019. The dividend payment date is Monday, 03 February 2020 to shareholders recorded in the register of the company at close of business on Friday, 31 January 2020.

DIRECTORS' REPORT

7. DIRECTORATE

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

DIRECTORS	Office	Designation
K Abdulla (Resigned, 12 March 2020)	Chief executive officer	Executive
C Ah Sing (Resigned 31 July 2020)	Chief financial officer	Executive
CF Hendricks (Resigned, 18 January 2019)	Corporate affairs and sustainability	Executive
AM Salie (Resigned, 18 January 2019)	Chief investment officer	Executive
Reverend Dr VC Mehana (Resigned, 14 March 2019)	Executive chairman	Non-executive Independent
V Dzvova (Appointed 12 March 2020)	Chief executive officer	Executive
JS Van Wyk (Appointed, 1 August 2020)	Chief financial officer	Executive
JM Gaomab (Resigned, 18 January 2019)	Other	Non-executive Independent
I Amod (Appointed, 21 January 2019)	Other	Non-executive
AB Amod	Other	Non-executive
TT Hove (Resigned, 18 January 2019)	Other	Non-executive Independent
Z Barends (Resigned, 18 January 2019)	Other	Non-executive Independent
Adv Dr NA Ramathlodi	Other	Non-executive Independent
MG Mosia (Appointed, 30 August 2019)	Other	Non-executive Independent
G Colbie (Appointed, 30 August 2019)	Other	Non-executive Independent

8. AUDITORS

BDO South Africa Incorporated continued in office as auditors for the Company for 2019.

At the next Annual General Meeting, the shareholders will be requested to appoint new independent external auditors following the end of the company's relationship with BDO South Africa Incorporated as the independent external auditors of the company and to confirm a new individual as the designated lead audit partner for the 2020 financial year.

9. SECRETARY

Mr D Terblanche continued as the company secretary for 2019

Postal address:	P.O. Box 181 Cape Town South Africa 8000
Business address:	Waterway House North V&A Waterfront Cape Town 8001

10. LIQUIDITY AND SOLVENCY

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

11. COMPANY SECRETARY

As required by JSE Listings Requirement 3.84(i), the Board has satisfied itself that the company secretary has the 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 director 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;and
- compliance with JSE Listings Requirements and the Companies Act

All directors have access to the advice and services of the company secretary. The Board considered the competence, qualifications and experience of the company secretary and is satisfied that they are appropriate. This was concluded after due assessment following a review by the remuneration committee of the Company regarding the interim company secretary's qualifications, experience and performance.

12. BOARD EVALUATION OF THE AUDIT AND RISK COMMITTEE

Due to the restructure of the Board during the year, the audit and risk committee was affected and was seen to be non-compliant from 18 April to 23 September 2019.

The committee reconstructed post year-end and fulfilled its statutory duties in terms of section 94(7) of the Companies Act and King IV compliance. As at the reporting date, the committe was compliant.

The committee confirms that it has complied with its legal and regulatory responsibilities for the 2019 financial year.

13. DIRECTORS' INTERESTS IN SHARES

As at 31 August 2019, the directors of the company held in aggregate, directly or indirectly, beneficially or non-beneficially, interest 14 969 706 (2018: 15 988 580) in the Company's shares, equivalent to 2.76% (2018: 2.82%) of the issued share capital. The individual interests of directors are as follows:

INTEREST IN SHARE CAPITAL 'B' CLASS ORDINARY SHARES - LISTED 31 AUGUST 2019

31 August 2019	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total shares	Total percentage
K Abdulla*	1 575 316	-	5 600 000	7 524 390	14 699 706	2.99
CF Ah Sing*	350 000	-	-	-	350 000	0.07
I Amod	205 000	-	-	-	205 000	0.04
A Amod	5 000	-	-	-	5 000	0.00
Subtotal	2 130 316	-	5 600 000	7 524 390	15 259 706	3.10
	-	-	-	-	-	

31 August 2018	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total shares	Total percentage
K Abdulla*	1 575 316	-	5 300 000	7 534 390	14 409 706	2.93
CF Ah Sing*	350 000	-	-	-	350 000	0.07
CF Hendricks*	265 000	-	-	-	265 000	0.05
Reverend Dr VC Mehana (Chairman)	250 000	-	-	-	250 000	0.05
T Hove	31 794	-	-	-	31 794	0.00
Z Barends	1 000	-	-	-	1 000	0.00
A Amod	5 000	-	-	-	-	0.00
AM Salie	-	-	676 080	-	681 080	0.14
Subtotal	2 478 110	-	5 976 080	7 534 390	15 988 580	3.24
	-	-	-	-	-	

* Executive Directors
There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

14. VOTING RIGHTS

"B" ordinary shares each carry one vote per share and "A" ordinary shares each carry five hundred votes per share.
No "A" ordinary shares have been issued.

15. PROPERTY, PLANT AND EQUIPMENT

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

16. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS

The principle subsidiaries and associates are reflected in note 6.

17. BORROWING LIMITATIONS

In terms of the Memorandum of Incorporation of the Company, the directors may exercise all the powers of the Company to borrow money, as they consider appropriate. The unutilised borrowings as at 31 August 2019 amounted to R3 906 524 (2018: R4 702 905).

18. 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 are as follows:

- remuneration for executive and non-executive directors;
- inter-company financial assistance
- financial assistance for the acquisition of shares in the Company or a related or inter-related company;
- the Company or its subsidiaries to repurchase Company shares; and
- the amendment of the Memorandum of Incorporation of the Company in relation to fractions.

19. GOING CONCERN

Following the recent COVID-19 virus pandemic, certain financial pressures will be placed onto the Company. The directors believe that the Company still has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes, except for the COVID-19 pandemic that may economically impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

20. CONTINGENT LIABILITIES

There are no contingent liabilities for the current year.

21. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The annual financial statements have been authorised for issue by the directors on Thursday, 30 April 2020. No authority was given to anyone to amend the annual financial statements after the date of issue.

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Independent Auditor's Report

To the Shareholders of African Equity Empowerment Investments Limited

Opinion

We have audited the separate financial statements of African Equity Empowerment Investments Limited (the company) set out on pages 14 to 63, which comprise the separate statement of financial position as at 31 August 2019, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the company as at 31 August 2019, and its separate financial performance and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	
Valuation of Subsidiaries	***How our audit addressed the key audit matter***
Investment in subsidiaries are carried at fair value through profit or loss, amounting to R2 625 290 as at reporting date. The valuations of these investments are based on an entity discounted cash flow valuation technique, which require significant judgement and estimates being applied by management. These are in accordance with Level 3 inputs as per International Financial Reporting Standard 13 Fair Value Measurement (IFRS 13). The use of a discounted cash flow valuation requires the estimation of a number of significant inputs, including the future expected cash flows and the weighted average cost of capital used to perform the discounting. Many of these inputs may have a material impact on the valuation. The judgements are based on existing market conditions, determined at the end of the reporting period. Accordingly, the valuation of investment in subsidiaries at fair value through profit or loss was considered to be a key audit matter, due to the significant contribution to results of the separate financial statements as well as the significance of the assumptions, estimates and the level of judgement involved. The disclosure relating to investment in subsidiaries are contained in note 1 (accounting policies), note 5 (investment in subsidiaries) and note 31 (fair value information).	In assessing the fair value of the investment in subsidiaries, we obtained an understanding of the overall control environment as well as the processes which have been implemented by management with regards to the determination of the valuation of subsidiaries. The control environment and processes have been overseen by the board of directors. In addition, our audit procedures included an assessment of the reasonability of the forecast by: • Testing the mathematical accuracy of the valuation models, by performing a recalculation of each valuation; • Agreeing management forecast to the approved budgets; • Assessing the budgeting process, and confirming reasonability of the forecasts by comparing the actual performance to that of previous years' forecast. We have assessed the key inputs in the valuation models by performing the following procedures: • Comparing the inputs to the weighted average cost of capital discount rate to independently data obtained, such as the cost of debt, risk free rates in the market, market risk premiums, debt/equity ratios as well as the beta of comparable companies. • Utilising our internal valuation experts, who have assessed the reasonableness and appropriateness of the key inputs. Assessed managements' qualifications, experience and expertise with respect to the valuations performed. We furthermore assessed the disclosures made for compliance with International Financial Reporting Standards.

Gaining control of AYO Technology Solutions Limited ("AYO") (Separate)	*How our audit addressed the key audit matter*
During the interim period, the company regained control over AYO as defined by IFRS 10, and the company subsequently consolidated AYO from the date of control being 21 December 2018. The change in control stemmed from AEEI ability to direct the relevant activities of AYO based on the IFRS 10 assessment. Due to the significant judgement applied by management in determining that control was regained in terms of International Financial Reporting Standard IFRS 10 – Consolidated Financial Statements as well as in determining the date that control was regained (21 December 2018), this area is regarded as a key audit matter.	Our audit procedures on gaining control of AYO include amongst others, the following: • Review of managements' assessment detailing the considerations resulting in the company gaining control of the subsidiary in terms of IFRS 10. • Obtain an external technical opinion relating to whether the entity meets the requirements for control as stipulated in IFRS 10 and with regards to the date control was gained. • Establish the date that control was gained by applying the control definition and requirements of IFRS 10. • Recalculated the loss associated with the deemed disposal of the associate on the date control was regained. • Recalculated the value of the considerations transferred with reference to the purchase agreement and agreed this to bank statements and share certificates. • Recalculated the goodwill to be recognised on acquisition. • Reviewed the disclosures in the financial statements relating to the regaining of control of the subsidiary for compliance with the International Financial Reporting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information in the document titled "African Equity Empowerment Investments Limited Company Annual Financial Statements for the year ended 31 August 2019", which includes the Directors' Report and the Company Secretary's Certification as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Separate Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

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

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

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

We also provide the directors with a statement that we have compiled with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of African Equity Empowerment Investments Proprietary Limited for 22 years.

BDO South Africa

BDO South Africa Incorporated
Registered Auditors

I Hashim
Partner
Registered Auditor

21 September 2020
6th Floor, BDO House,
119 - 123 Hertzog Boulevard
Foreshore
Cape Town
8001

African Equity Empowerment Investments Limited
(Registration number 1996/006093/06)

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2019

Figures in Rand thousand	Notes	2019	2018 Restated	2017 Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	631	132	125
Intangible assets	4	20	23	25
Investments in subsidiaries	5	2 625 290	1 641 505	2 042 487
Investments in associates	6	-	4 756 271	-
Loans to group companies	7	133 263	108 434	225 466
Other loans receivable	8	14 296	12 506	9 343
Other financial assets	9	58 960	63 532	51 438
		2 832 460	**6 582 403**	**2 328 884**
CURRENT ASSETS				
Loans to group companies	7	20 862	-	-
Other loans receivable	8	-	-	1 650
Current tax receivable		1 021	1 827	992
Trade and other receivables	11	7 142	13 703	7 076
Other financial assets	9	6 491	-	-
Cash and cash equivalents	12	9 767	5 258	1 084
		45 283	**20 788**	**10 802**
Total Assets		**2 877 743**	**6 603 191**	**2 339 686**
EQUITY AND LIABILITIES				
EQUITY				
Share capital	13	402 240	403 177	403 177
Retained income		1 761 660	4 666 621	1 367 637
		2 163 900	**5 069 798**	**1 770 814**
LIABILITIES				
NON-CURRENT LIABILITIES				
Loans from group companies	7	128 306	95 663	89 993
Other financial liabilities	14	-	10 833	34 946
Deferred tax	10	519 844	1 366 777	388 215
		648 150	**1 473 273**	**513 154**
CURRENT LIABILITIES				
Provisions		-	-	4 952
Trade and other payables	15	11 334	13 394	11 390
Other financial liabilities	14	10 852	10 043	15 941
Finance lease liabilities		-	-	8
Dividend payable	32	3 314	900	-
Bank overdraft	12	40 193	35 783	23 427
		65 693	**60 120**	**55 718**
Total Liabilities		**713 843**	**1 533 393**	**568 872**
Total Equity and Liabilities		**2 877 743**	**6 603 191**	**2 339 686**

African Equity Empowerment Investments Limited
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Rand thousand	Notes	2019 R'000	2018 R'000
Revenue	16	212 807	77 286
Other income	17	54	57 736
Operating expenses		(39 265)	(180 262)
Impairment reversal		1 743	17 036
Impairment loss		(17 669)	-
Fair value adjustments	18	(3 787 589)	4 366 840
Operating (loss) profit	19	**(3 629 919)**	**4 338 636**
Investment revenue	20	9 275	1 825
Finance costs	21	(18 004)	(18 901)
(Loss) profit before taxation		**(3 638 648)**	**4 321 560**
Taxation	22	846 933	(979 330)
(Loss) profit for the year		**(2 791 715)**	**3 342 230**
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		**(2 791 715)**	**3 342 230**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand thousand	Share capital	Share premium	Total share capital	Retained income	Total attributable to equity holders of the company	Non-controlling interest	Total equity
Balance at 01 September 2017 (as restated)	**30**	**403 147**	**403 177**	**1 367 637**	**1 770 814**	**-**	**1 770 814**
Profit for the year	-	-	-	3 342 230	3 342 230	-	3 342 230
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year (as restated)	**-**	**-**	**-**	**3 342 230**	**3 342 230**	**-**	**3 342 230**
Dividends	-	-	-	(43 238)	(43 238)	-	(43 238)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(43 238)**	**(43 238)**	**-**	**(43 238)**
Opening balance as previously reported	30	403 147	403 177	4 796 283	5 199 460	-	5 199 460
Adjustments							
Prior period errors	-	-	-	(129 654)	(129 654)	-	(129 654)
Balance at 01 September 2018 as restated	**30**	**403 147**	**403 177**	**4 666 629**	**5 069 806**	**-**	**5 069 806**
Loss for the year	-	-	-	(2 791 715)	(2 791 715)	-	(2 791 715)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**(2 791 715)**	**(2 791 715)**	**-**	**(2 791 715)**
Purchase of own / treasury shares	-	(937)	(937)	-	(937)	-	(937)
Dividends	-	-	-	(113 022)	(113 022)	-	(113 022)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(937)**	**(937)**	**(113 022)**	**(113 959)**	**-**	**(113 959)**
Balance at 31 August 2019	**30**	**402 210**	**402 240**	**1 761 660**	**2 164 133**	**-**	**2 164 133**
Note(s)	13	13	13				

African Equity Empowerment Investments Limited
(Registration number 1996/006093/06)

STATEMENT OF CASH FLOWS

Figures in Rand thousand	Note(s)	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		22 974	70 660
Cash paid to suppliers and employees		(41 080)	(29 710)
Cash generated/(utilised) from operations	23	(18 106)	40 950
Interest income		5 177	1 825
Dividend income		184 915	42 563
Finance costs		(4 409)	(18 901)
Tax (paid) received	24	805	(1 776)
Net cash from operating activities		**168 382**	**64 661**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(593)	(179)
Sale of property, plant and equipment	3	1	-
Loans to group companies repaid		11 078	94 933
Loans advanced to group companies		(74 792)	(58 212)
Change in ownership		(5 600)	-
Purchase of financial assets		-	(350)
Sale of financial assets		(1 277)	-
Advances to loans receivable		(19)	(45 082)
Proceeds from loans receivable		-	45 746
Net cash from investing activities		**(71 202)**	**36 856**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of other financial liabilities		(11 807)	(33 923)
Proceeds from other financial liabilities		88	13 000
Proceeds from loans from group companies		61 748	44 311
Repayment of loans from group companies		(36 500)	(90 723)
Finance lease payments		-	(26)
Dividends paid	35	(110 608)	(42 338)
Net cash from financing activities		**(97 079)**	**(109 699)**
Total cash movement for the year		**101**	**(8 182)**
Cash at the beginning of the year		(30 525)	(22 343)
Total cash at end of the year	12	**(30 424)**	**(30 525)**

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with IFRS, SAICA financial reporting guides issued by the Accountng Practices Committee, the Financial Reporting Procurements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, as amended and the JSE Listings Requirements.

The annual financial statements have been prepared on the historical cost basis, except where otherwise stated and incorporate the principle accounting policies set out below.

The accounting policies are consistent with the previous year except for the adoption of IFRS 9 and 15.

1.1 INVESTMENTS 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. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are 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 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.

The company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, 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.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgements are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables and loans and receivables
The company 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 company 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 company 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 company specific assets. In addition, the useful life estimates take into account the risk of obsolescence due to advances in technology.

Intangible assets
The company assesses the useful lives and amortisation rates at each reporting date. This judgement is based on the market and trading conditions for the company, 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.

Impairment testing
Assets are subject to regular impairment reviews as required. Impairments are measured as 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.

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 company 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 company 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 company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income were 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 company 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 and dividend yield 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 highgrowth company's year-by-year forecasts for a period of five years are prepared, where after a terminal value will be calculated.

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

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

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

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 R186 government bond has been used. These yields were obtained from the financial press at the time of preparing the valuations.

Beta
The equally weighuted 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 company'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 mentioned above. The company 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.

Investment in equity accounted investments
Losses from equity accounted investments in excess of the company's interest are recognised only to the extent that the company has incurred a legal or constructive obligation to make payments on behalf of the investments held in equity accounted investments. Additionally an investment in an associate is recognised when the company has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

When the company obtains significant influence of an investment previously held at fair value through profit and loss, the company accounts for investments in associates at fair value in line with business combinations, which is deemed to be the initial cost. This deemed cost is adjusted for post acquisition changes in the company's share of net assets of the associate, less any impairment losses. Gains or losses on deemed disposals of an investment previously held as an investment at fair value through profit and loss is accounted for directly in the profit or loss.

Investments in associates
Entities in which the Company holds more than 50% of the voting rights but does not have control
Even though the Company has a majority shareholding in Global Command and Control Technologies (76% shareholding) and Main Street 1653 Proprietary Limited (60% shareholding), management have concluded that the Company does not have control of these entities due to a shareholders agreement with AYO which grants AYO the right to appoint the majority of the directors including the company CEO.
The Company has significant influence and accounts for these investments in accordance with the accounting policy for investments in associates.

1.3 PROPERTY, PLANT AND EQUIPMENT

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
Computer equipment	3 years
Computer software	2 years
Furniture and fixtures	8 years
Motor vehicles	5 years
Office equipment	3 - 6 years

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

The depreciation charge for each year 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.

1.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are initially accounted for at cost and subsequently measured at fair value..

The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Fair value adjustments on investments in subsidiaries are recognised directly in the profit or loss.

1.5 FINANCIAL INSTRUMENTS

CLASSIFICATION

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.
In the prior year, the Company applied IAS 39: Financial Instruments to its comparative figures. Refer to note 2, Change in Accounting Policy, for the impact of the adoption of IFRS 9.

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

The Company's financial assets comprise:
– Loans receivable
– Trade and other receivables
– Cash and cash equivalents

The Company's financial liabilities comprise:
– Borrowings and loans from related parties
– Trade and other payables
– Bank overdraft

The Company's financial assets and liabilities are measured at amortised cost.
The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

1.5 FINANCIAL INSTRUMENTS (continued)

RECOGNITION AND MEASUREMENT

Loans receivable are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.
They are subsequently measured at amortised cost.
The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

IMPAIRMENT

The Company recognises a loss allowance for expected credit losses (ECL) on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

At each reporting date, the Company assesses whether loans receivable classified at amortised cost are credit impaired.

Loans receivable are credit impaired when one or more events identified has a detrimental impact on the estimated future cash flows.

The Company's definition for credit impaired is aligned to its internal credit risk definition of default, namely a failure to make payment when due.

Significant increase in credit risk
In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Company compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports and financial analysts as well as consideration of various external sources of actual and forecast economic information.

Write off policy
The Company writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

TRADE AND OTHER RECEIVABLES

Classification
Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

1.5 FINANCIAL INSTRUMENTS (continued)

Recognition and measurement
Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment
The Company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date. The Company applies the IFRS 9 simplified approach in measuring expected credit losses for trade and other receivables, which uses a lifetime expected loss allowance.

The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable. The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to trade and other receivables, including the economic factors.

Write off policy
The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Borrowings and loans from related parties

Classification
Loans from Company companies and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
Borrowings and loans from related parties are recognised when the Company becomes a party to the contractualprovisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.
Borrowings expose the Company to liquidity risk and interest rate risk..

TRADE AND OTHER PAYABLES

Classification
Trade and other payables excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
Trade and other payables when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk.

CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

1.5 FINANCIAL INSTRUMENTS (continued)

Cash and cash equivalents consists of cash on hand and short term deposits which are initially measured at fair value. Given the short term nature, amortised cost approximates fair value.

BANK OVERDRAFTS

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

FINANCIAL INSTRUMENTS: IAS 39 COMPARATIVES

Classification
The company 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 company's financial assets are loans receivables, trade and other receivables and cash and cash equivalents. The company's financial liabilities are loans payable, trade and other payables and bank overdrafts.

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

Impairment of financial assets
At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or company of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

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

Impairment losses are recognised in profit or loss.
Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account.

1.5 FINANCIAL INSTRUMENTS (continued)

Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans receivable and payable
These financial instruments are initially recognised at fair value plus direct transaction costs.

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

On loans receivable an impairment loss is recognised in profit and 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.

Loans payable are measured at amortised cost using the effective interest method.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments 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.

Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and short-term deposits held with banks that are available for use by the company. These are initially and subsequently recorded at amortised cost.

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..

1.6 TAX

CURRENT TAX ASSETS AND LIABILITIES

The tax expense for the year comprises of current and deferred tax. Taxation is recognised in profit or loss.

The current income tax charge is calculated on the basis of tax laws that have been enacted or substantively enacted by the reporting date.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxation is provided for at the tax rates that are expected to apply in the period in which the liability is settled of the asset realised, based on tax rates enacted or substantively enacted by the reporting date.

A full provision is made for all the temporary differences between the tax base of an asset or liability and its carrying amount.

Where the tax effects of temporary differences arising from computed tax losses give rise to a deferred tax asset, the asset is recognised only to the extent that future taxable profit will be probable against which the tax losses can be utilised

1.7 IMPAIRMENT OF ASSETS

The Company 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 Company estimate the recoverable amount of the asset. The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset..

Irrespective of whether there is any indication of impairment, the company 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.

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.

1.8 SHARE CAPITAL AND EQUITY

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

If the company re-acquires 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 company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.9 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 company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.9 EMPLOYEE BENEFITS (continued)

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 company recognises a liability and an expense for bonuses. The company 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-endFor defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

1.10 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

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 .

1.11 REVENUE

1.9.1 REVENUE (IAS 18 COMPARATIVES)

Revenue is comprised of the selling value of goods delivered and services rendered during the year, and rental income. Revenue is measured at the fair value of the consideration received or receivable and represents theamounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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 end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

1.9.2 REVENUE FROM CONTRACTS WITH CUSTOMERS

Following the adoption of IFRS 15 the Group's accounting policy in respect of revenue is as follows:

In order to determine whether to recognise revenue, the Group follows the five step process; namely:
1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when the performance obligations are ratified

Revenue represents income arising in the course of ordinary activities which includes management fees, which are recognised on an accrual basis in accordance with the substance of the relevant agreements.

Revenue from management fees is recognised once the performance obligations have been met, generally when the service is rendered at a point in time.

1.11 REVENUE (continued)

Investment income
Cash dividends and the full cash equivalent of the dividends are recognised when the right to receive payment or transfer is established.

Interest is recognised on a time proportion basis, taking into account the principal outstanding debt and the effective rate over the period to maturity of the debt. The interest is accrued for when it becomes due to the Company.

1.12 BORROWING COSTS

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

1.13 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 03/2019 issued by SAICA.A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 9 – Financial Instruments

IFRS 9 Financial Instruments (replacing IAS 39 Financial Instruments: Recognition and Measurement) is applicable to the company for the 2019 annual reporting period, with the first application in the company financial statements.

The completed standard comprises guidance on the classification and measurement of financial assets and liabilities, and the introduction of the expected credit loss model (ECL) with respect to the measurement of impairment allowances for financial assets.

Effect of transition:

The company has transitioned to IFRS 9 retrospectively, with any cumulative material impact being recognised in opening retained income as a result of the initial application of IFRS 9. Comparative information has therefore not been restated.

Classification
IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics.
There was no material impact on classification of financial assets nor financial liabilities.

Impairment
The new standard introduces a single "expected credit loss" impairment model for the measurement of financial assets.
The company has assessed the impact of IFRS 9 including the application of the expected credit loss (ECL) model for the measurement of the impairment allowance of our trade and other receivables (through the application of the simplified approach) as well as loans to Group Companies and other receivables.

Trade receivables
In terms of IAS 39, trade and other receivables were impaired when there was objective evidence of default.
IFRS 9 dictates that the impairment is based on the lifetime expected credit losses on trade and other receivables.
The company has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to trade and other receivables including the economic environment.

Loan receivables
The company has adopted the general approach, which takes into account the three-stage approach, with respect to the recognition of credit losses being:

Description	Stage 1 Credit risk has not increased significantly since initial recognition	Stage 2 Credit risk has not increased significantly since initial recognition	Stage 3 Credit - impaired
Recognition of ECLs	12month ECL	Lifetime ECL	Lifetime ECL
Recognition of interest	Effective interest on gross carrying amount	Effective interest on gross carrying amount	Effective interest on gross carrying amount

At each reporting date, the company assess whether financial assets classified as amortised cost are credit impaired. Loans receivables are credit impaired when one or more events identified has a detrimental impact on the estimated future cash flows.

The company's definition of credit impaired is aligned to its internal credit risk definition of default, namely a failure to make payment when due.

As at the reporting date, credit risk has not increased significantly since initial recognition (Stage 1), and therefore a 12 month ECLs has been determined, which is not material.

2. New Standards and Interpretations (continued)

Based on our assessment, the application of IFRS 9 had no material impact on the reported earnings or financial position for the period under review.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 replaces all existing revenue requirements in IFRS and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of the standards on leases, insurance contracts and financial instruments.

The core principle of the standard is that revenue recognised reflects the consideration to which the Company expects to be entitled in exchange for the transfer of promised goods or services to the customer. The standard incorporates a five-step analysis to determine the amount and timing of revenue recognition.

Effect of transition:

The company has transitioned to IFRS 15 by applying the standard retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained income in accordance with Para C7 of IFRS 15. Comparatives have therefore not been restated.

However, given the nature of revenue streams the adoption of the standard did not materially affect the manner of revenue recognition, and therefore no adjustment is required to opening retained income at the date of initial application.

IFRS 15 uses the terms 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue'. The company has adopted the terminology used in IFRS 15 to describe such balances.

No financial statement line item has been significantly affected in the current reporting period by the application of IFRS 15, as compared to IAS 18.

The adoption of the above standards and interpretations have not resulted in a material impact. However, additional disclosure has been included in the financial statements due to the company adopting the above standards and interpretations.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 September 2019 or later periods:

IFRS 16 – Leases (Effective for annual periods beginning on or after 1 January 2019)

IFRS 16 replaces IAS 17 "Leases" and its related interpretations.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. As a consequence, a lessee recognises depreciation of the right-ofuse asset and interest on the lease liability.

The application of the standard is not expected to have any material impact on the company's financial statements as the company does not have any lease agreements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Property, plant and equipment

	2019			2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	177	(28)	149	50	(16)	34	50	(10)	40
Motor vehicles	353	(353)	-	353	(347)	6	353	(276)	77
Office equipment	95	(39)	56	95	(24)	71	4	(4)	-
IT equipment	656	(230)	426	191	(170)	21	102	(94)	8
Computer software	33	(33)	-	33	(33)	-	33	(33)	-
Total	**1 314**	**(683)**	**631**	**722**	**(590)**	**132**	**542**	**(417)**	**125**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
Computer equipment	21	466	(61)	426
Furniture and fixtures	34	126	(11)	149
Motor vehicles	6	-	(6)	-
Office equipment	71	-	(14)	56
	132	**592**	**(92)**	**631**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Computer equipment	8	88	(75)	21
Furniture and fixtures	40	-	(6)	34
Motor vehicles	77	-	(71)	6
Office equipment	-	91	(20)	71
	125	**179**	**(172)**	**132**

Pledged as security

3. Property, plant and equipment (continued)

No assets have been encumbered as security for the secured long-term borrowings:

Motor vehicles (subject to finance lease)	-	6	76

Capital commitments

Refer to note 45 for details relating to capital commitments.

Assets subject to finance lease	-	6	76

4. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Trademarks	51	(31)	20	51	(28)	23

	2017		
	Cost / Valuation	Accumulated amortisation	Carrying value
Trademarks	51	(26)	25

4. Intangible assets (continued)

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	23	(3)	20

Reconciliation of intangible assets - 2018

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	25	(2)	23

Other information

Trademarks

The trademarks are amortised over an estimated useful life of 20 years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

During the financial year, the company regained control over AYO Technology Solutions Limited as defined by IFRS 10, and subsequently consolidated AYO Technology Solutions Limited from the date of control being 21 December 2018. The change in control stemmed from AEEI's ability to direct the relevant activities of AYO based on the IFRS 10 assessment.

It has come under AEEI management's attention that a prior period error was made in determining the fair value of the investments in subsidiaries. Please refer to Note 27: Prior period error for more details.

Name of company	% holding 2019	% holding 2018	% holding 2017	Carrying amount 2019	Restated Carrying amount 2018	Restated Carrying amount 2017
AEEI Events and Tourism (Pty) Ltd	100.00 %	100.00 %	100.00 %	-	6 245	7 012
AEEI Properties (Pty) Ltd	100.00 %	100.00 %	100.00 %	1 041	1 041	934
African Biotechnological and Medical Innovation Investments (Pty) Ltd	100.00 %	100.00 %	100.00 %	119 494	109 221	146 278
Afrinat (Pty) Ltd (previously known as Wynberg Pharmaceuticals (Pty) Ltd)	100.00 %	100.00 %	100.00 %	19 167	19 055	14 855
AYO Technology Solutions Ltd	49.36 %	- %	- %	1 357 236	-	248 516
Bowwood and Main No 180 (Pty) Ltd	60.00 %	60.00 %	60.00 %	48 845	44 974	29 685
Kilomax (Pty) Ltd	100.00 %	100.00 %	100.00 %	832 825	832 825	864 419
Opispex (Pty) Ltd	65.00 %	65.00 %	65.00 %	1 178	2 083	2 288
Orleans Cosmetics (Pty) Ltd	90.00 %	90.00 %	90.00 %	15 050	15 809	31 229
Premier Fishing and Brands Ltd (listed - level 1)	56.23 %	55.00 %	55.00 %	228 072	543 400	593 450
Sekunjalo Consumer Products (Pty) Ltd	100.00 %	100.00 %	100.00 %	2 382	66 852	103 821
Western Cape Black Media Consortium	80.00 %	80.00 %	80.00 %	-	-	-
				2 625 290	1 641 505	2 042 487

Subsidiaries with less than 50% share capital held

The company holds less than 50% of the issued share capital in AYO Technology Solutions Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (continued)

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		
		2019	2018	2017
African Biotechnological and Medical Innovation Investments (Pty) Ltd	RSA	26 %	26 %	26 %
Magic 828 (Pty) Ltd	RSA	40 %	40 %	40 %
Premier Fishing and Brands Ltd	RSA	44 %	45 %	- %
AYO Technology Solutions Ltd	RSA	51 %	- %	- %

The country of incorporation and the principal place of business are the same in all cases, which is the Republic of South Africa.

The percentage ownership interest and the percentage voting rights of the non controlling interests were different in all cases.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (continued)

2019

Summarised statement of financial position	Non current assets	Current assets	Total assets	Non current liabilities	Current liabilities	Total liabilities	Carrying amount of non-controlling interest
AYO Technology Solutions Ltd	653 462	4 476 137	5 129 599	63 042	595 683	658 725	134 392
Magic 828 (Pty) Ltd	8 079	9 915	17 994	-	50 179	50 179	(32 185)
African Biotechnological and Medical Innovation Investments (Pty) Ltd	143 774	1 158	144 932	147 085	3 252	150 337	23 240
Premier Fishing and Brands Ltd	608 667	419 142	1 027 809	127 158	86 643	213 801	48 007
Total	1 413 982	4 906 352	6 320 334	337 285	735 757	1 073 042	173 454

.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.

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit/(loss) before tax	Tax expense	Profit (loss)	Total comprehensive income	Profit (loss) allocated to non-controlling interest
AYO Technology Solutions Ltd	1 959 292	272 985	(91 186)	181 799	181 802	31 200
Magic 828 (Pty) Ltd	12 224	(10 089)	(92)	(10 181)	-	(6 096)
African Biotechnological and Medical Innovation Investments (Pty) Ltd	514	(60 771)	29 641	(31 130)	(31 130)	(4 330)
Premier Fishing and Brands Ltd	575 006	103 821	(30 828)	72 993	72 993	24 747
Total	2 547 036	305 946	(92 465)	213 481	223 665	45 521

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised statement of cash flows	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net increase (decrease) in cash flow
AYO Technology Solutions Ltd	88 943	(467 336)	(246 137)	(624 530)
Magic 828 (Pty) Ltd	(9 827)	(2 155)	12 384	401 422
African Biotechnological and Medical Innovation Investments (Pty) Ltd	(2 321)	653	-	(1 667)
Premier Fishing and Brands Ltd	90 030	(131 171)	(126)	(167 361)
Total	166 825	(600 009)	(233 879)	(392 136)

2018

Summarised statement of financial position	Non current assets	Current assets	Total assets	Non current liabilities	Current liabilities	Total liabilities	Carrying amount of non-controlling interest
Magic 828 (Pty) Ltd	8 267	7 304	15 571	-	37 059	37 059	9 080
African Biotechnological and Medical Innovation Investments (Pty) Ltd	187 731	6 889	194 620	151 701	4 666	156 367	23 518
Premier Fishing and Brands Ltd	509 625	599 460	1 109 085	116 134	130 515	246 649	708 685
Total	705 623	613 653	1 319 276	267 835	172 240	440 075	741 283

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit before tax	Tax expense	Profit (loss)	Total comprehensive income	Profit (loss) allocated to non-controlling interest
Magic 828 (Pty) Ltd	9 726	(8 345)	2 319	(6 026)	(6 026)	(3 850)
African Biotechnological and Medical Innovation Investments (Pty) Ltd	-	(170 687)	40 363	(130 324)	(130 324)	(6 750)
Premier Fishing and Brands Ltd	490 870	129 013	(33 672)	95 341	95 341	49 181
Total	500 596	(50 019)	9 010	(41 009)	(41 009)	38 581

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised statement of cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net increase (decrease) in cash flow
Magic 828 Pty Ltd	(9 728)	(324)	10 590	538
African Biotechnological and Medical Innovation Investments (Pty) Ltd	(17 250)	17 961	-	711
Premier Fishing and Brands	62 272	(193 267)	(42 359)	(173 354)
Total	35 294	(175 630)	(31 769)	(172 105)

6. Investments in associates

Investments in Associates

The following table summarises the carrying amounts for investment in associates.

Name of company	2019 % holding	2018 % holding
BT Communication Services South Africa (Pty) Ltd	30%	30%
Main Street 1653 (Pty) Ltd	60%	0%
Global Command and Control Technologies (Pty) Ltd	76%	0%

Acquisition of Main Street 1653 Proprietary Limited (Main Street)

On 9 February 2019, AEEI concluded the acquisition of a 60% equity interest in SGT Solutions Proprietary Limited (SGT Solutions) for a consideration of R1 via a special purpose vehicle, Main Street 1653 Proprietary Limited (Main Street) that in turn holds the entire equity interest in SGT Solutions Proprietary Limited. Although AEEI holds the majority shareholding, it does not control SGT Solutions due to a shareholders' agreement with AYO which grants AYO the right to appoint directors and key management personnel, giving AYO the power to direct the relevant activities of Main Street.

SGT Solutions is a turnkey solutions integrator specialising in the design, supply, deployment, commissioning and maintenance of multi-technology telecommunication systems for mobile broadband and converged solutions through partnerships with its customers and technology providers. The company specialises in integrated leading-edge and comprehensive solutions across the entire spectrum of telecommunications. SGT Solutions have been operating in South-Africa for the past 14 years.

6. Investments in associates (continued)

AEEI entered into a share sale agreement (put option) with AYO Technology Solutions (AYO) in terms of which it gives AEEI the option to sell 60% of the shares in Main Street for a nominal amount, giving AYO the option to purchase 60% of AEEI's shares in Main Street at a price defined by a formula in the share sale agreements. As at year-end the put option was out of the money with a strike price of R59,365 and a share price of R102,561.

AEEI entered into a share purchase agreement (call option) that gives AEEI the option to purchase the remaining 40% shareholding from AYO at a price defined by a formula in the share purchase agreements. As at year-end the call option was in the money with a strike price of R101,397 and a share price of R102,561.

It is not management's intention to exercise any of the above-mentioned options that would result in the shares held by AYO Technology Solutions, and the rights attached to these shares, to be reverted back to AEEI. The intention, therefore, is not for AEEI to be the sole shareholder of Main Street 1653 Proprietary Limited.

Acquisition of Global Command and Control Technologies Proprietary Limited (GCCT)

On 1 March 2019 AEEI acquired 76% equity shareholding interest in Global Command and Control Technologies Proprietary Limited (GCCT). Although AEEI holds the majority equity interest, it does not control GCCT due to a shareholders' agreement entered into with AYO, which grants AYO the right to appoint directors and key management personnel, giving AYO the power to direct the relevant activities of GCCT.

GCCT supplies microwave and related services to telecommunication network operations (public and private) in South Africa. The company offers full local radio frequency, network planning deployment, product support, field maintenance and logistic services.

AEEI entered into a share sale agreement (put option) with AYO in terms of which it gives AEEI the option to sell 76% of the shares in GCCT for a nominal amount, giving AYO the option to purchase 76% of AEEI's shares in GCCT at a price defined by a formula in the share sale agreements. As at year-end the put option was out of the money with a strike prize of zero and a share price of R31, 234.

AEEI entered into a share purchase agreement (call option) that gives AEEI the option to purchase the remaining 24% shareholding from AYO at a price defined by a formula in the share purchase agreements. As at year-end the call option was in the money with a strike price of zero and a share price of R31,234.

It is not management's intention to exercise any of the above-mentioned options that would result in the shares held by AYO Technology Solutions, and the rights attached to these shares, to be reverted back to AEEI. The intention, therefore, is not for AEEI to be the sole shareholder of Global Command and Control Technologies Proprietary Limited.

7. Loans to (from) group companies

Loans to (from) subsidiaries

	2019	2018 Restated	2017 Restated
Bioclones Proprietary Limited The loan is unsecured, bears interest at prime minus 2% and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	17 941	17 234	8 299
Global Command and Control Technologies Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. The loan is expected to be recalled in the next 12 months.	20 862	-	-
Bowood and Main No. 180 Proprietary Limited The loan is unsecured, bears interest at prime rate and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	31 920	28 188	24 895
Afrinat Proprietary Limited The loan is unsecured, bears interest at prime plus 3% and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	8 102	6 450	9 668
Tripos Travel Proprietary Limited The loan is unsecured, bears interest at prime plus 5% and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	2 354	1 432	1 344
Magic 828 Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	23 762	15 268	10 768
AEEI Events and Tourism Proprietary Limited The loan is unsecured, bears interest at prime rate and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	38 879	17 520	8 109
AEEI Properties Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	2 325	2 207	2 537
Premier Fishing and Brands Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	-	(3 090)	(9 343)
Premfresh Seafoods Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	(72 764)	(80 112)	(72 415)
Kilomax Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	(24 505)	(4 225)	(3 852)

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

Orleans Cosmetics Proprietary Limited The loan is unsecured, bears interest at prime rate and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	20 133	17 838	2 405
Premier Fishing and Brands Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	(393)	(1 913)	-
Global Command and Control Technologies Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	(5 000)	-	-
Health Systems Technologies Proprietary Limited The loan is unsecured, bears interest at rates agreed between parties, has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	(5 367)	(1 820)	(4 383)
espAfrika Proprietary Limited The loan is unsecured, bears interest at prime plus 1% and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	2 925	2 617	-
espAfrika Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	2 057	4 034	-
Premier Fishing and Brands Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	(20 277)	(4 503)	-
Ribotech Proprietary Limited The loan is unsecured, bears interest at prime minus 2% and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	26 486	23 295	20 308
African Biotechnological and Medical Innovations Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	62 168	62 168	56 155
Opispex Proprietary Limited The loan is unsecured, bears interest at prime and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	7 450	7 450	86 665
AEEI Events and Tourism Proprietary Limited The loan is unsecured, bears interest at prime rate and has no fixed repayment terms. It is not expected to be recalled in the next 12 months.	2 768	2 814	2 374
Allowance for expected credit losses	(116 007)	(100 081)	(8 061)
	25 819	**12 771**	**135 473**

The above loans are unsecured, certain loans bear interest at rates determined between parties from time to time and have no fixed terms of repayment.

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

Non-current assets	133 263	108 434	225 466
Current assets	20 862	-	-
Non-current liabilities	(128 306)	(95 663)	(89 993)
	25 819	**12 771**	**135 473**

Credit quality of loans to group companies

The loans are advanced to Group companies for either capital investment, or working capital requirements. All advances are in line with approved divisionall budgets. The risk of default is therefore based on the success of the division's performance.

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

Stage 1 Performing			
Loans receivable		96 667	61 413
Stage 2 Under Performing			
Loans receivable		171 293	106 872
Lifetime expected credit losses		(113 654)	(59 552)
Net carrying amount		57 639	47 320
Total carrying amount for loans receivable		**115 278**	**94 640**
Stage 3 Non-Performing			
Loans receivable		2 354	40 529
Lifetime expected credit losses		(2 354)	(40 529)
Net carrying amount		**-**	**-**
Total carrying amount for loans receivable	-	250 973	170 146

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.

Reconciliation of provision for impairment of loans to group companies

Opening balance	100 081	8 061	36 904
Net impairment/ (impairment reversals)	15 926	92 020	(28 843)
	116 007	**100 081**	**8 061**

Applicable rates

Applicable rates			
Interest free	15 508	77 968	145 027
Prime overdraft rate	(4 288)	(63 164)	(4 352)
Prime overdraft rate plus 1%	308	2 617	-
Prime overdraft rate less 1.5%	-	-	(9 343)
Prime overdraft rate less 2%	10 053	40 529	28 606
Prime overdraft rate plus 3%	6 844	6 450	17 728
Prime overdraft rate plus 4%	-	46 025	24 895
Prime overdraft rate plus 5%	233	1 432	(61 402)
Prime overdraft rate plus 7%	448	2 815	2 374
	29 106	**114 672**	**143 533**

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

Loans subordinated
Loans amounting to R39 314 545 (2018: R125 415 486) have been subordinated until such time as the assets fairly valued exceed their liabilities.

Reconciliation of cash flows

Loans advanced to Group companies	(74 792)	(58 212)	(30 657)
Receipts of loans from Group companies	63 358	39 928	21 186
Non-cash amounts included in loans to/from Group companies	-	(144 881)	18 214
Non-cash interest capitalised and dividends received	-	28 590	(30 000)
Loans to Group companies repaid	11 078	94 933	-
Repayment of loans from Group companies	(36 500)	(86 340)	(1 552)
	(36 856)	**(125 982)**	**(22 809)**

8. Other loans receivable

Non- interest bearing loans	14 296	12 506	18 574

The above loans are unsecured and are repayable on demand.

	14 296	12 506	18 574
Impairment of loans	-	-	(7 581)
	14 296	**12 506**	**10 993**

Non-current assets	14 296	12 506	9 343
Current assets	-	-	1 650
	14 296	**12 506**	**10 993**

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 approximates 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.

Breakdown of non-interest bearing loans

Loans to shareholders	-	-	8 105
Cape Media Corporaton	-	-	1 126
Sekunjalo Investment Holdings (Pty) Ltd	11 570	9 780	8 067
Tshwaranang Media (Pty) Ltd	600	-	-
Other	2 126	2 726	1 276

Reconciliation of provision for impairment of other loans receivable

Opening balance	-	7 581	5 276
Net impairments and write offs	-	(7 581)	2 305
	-	**-**	**7 581**

9. Other financial assets

At fair value through profit or loss			
Investments in unlisted public companies	36 113	36 113	25 231
The above relates to African Legend Investments Ltd. The fair value remains the same as prior year.			
Investment in listed public companies	22 847	26 879	26 207
A fair value movement of R4 032 was recognised in the current year which relates to an decrease in value in Sygnia.			
Other Loans and receivables	5 947	-	-
The above relates to supplier development and Vunani Securities.			
Engeli Enterprise Development Fund	140	140	-
The above loans are non-interest bearing, unsecured and are repayable on demand.			
Anela Capital	404	400	-
The above loans are non-interest bearing,unsecured and are repayable on demand.			
	65 451	**63 532**	**51 438**
Non-current assets			
Fair value through profit and loss designated	58 960	63 532	51 438
Current assets			
Designated as at FV through profit (loss) (FV through income)	6 491	-	-
	65 451	**63 532**	**51 438**

Fair value information

Financial assets at fair value through profit or loss are recognised at fair value. The fair value of the listed investments is based on the quoted market price as at 31 August 2019.

10. Deferred tax

Deferred tax liability

Accelerated capital allowances on property, plant and equipment	(41)	(6)	-
Prepaid expenses	(58)	(25)	-
Fair value adjustments on other financial assets	-	(340 279)	(388 215)
Fair value adjustments on investments in subsidiaries	(521 278)	(62 417)	-
Fair value adjustments on investments in associates	-	(965 050)	-
Deferred tax liability	**(521 377)**	**(1 367 777)**	**(388 215)**

Deferred tax asset

Provisions	1 533	1 696	-

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(521 377)	(1 368 473)	(388 215)
Deferred tax asset	1 533	1 696	-
Total net deferred tax asset (liability)	**(519 844)**	**(1 366 777)**	**(388 215)**

10. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

At beginning of year	(1 366 777)	(388 215)	(422 846)
Reduction due to rate change	-	-	2
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	-	(121 491)	-
Fair value adjustments on associate	1 061 714	(943 915)	-
Fair value adjustments on subsidiaries	(214 548)	(21 120)	58 362
Increases (decrease) in valuation allowance of deferred tax asset	-	108 354	(21 636)
Taxable / (deductible) temporary difference movement on tangible fixed assets	(36)	6	-
Taxable / (deductible) temporary difference on health care benefits	86	22	(11)
Taxable / (deductible) temporary difference movement investment property at fair value	-	(418)	(529)
Taxable / (deductible) temporary difference on bonus provision	(132)	-	-
Taxable / (deductible) temporary difference on other provisions	(117)	-	-
Taxable / (deductible) temporary difference on prepayments	(34)	-	-
Prior period under provision	-	-	(1 557)
	(519 844)	**(1 366 777)**	**(388 215)**

11. Trade and other receivables

Financial instruments:			
Trade receivables	6 933	9 674	6 657
Non financial instruments:			
Prepayments	209	89	168
Value added tax	-	3 940	-
Other receivables	-	-	251
	7 142	**13 703**	**7 076**

Split between non-current and current portions

Current assets	7 142	13 703	7 076

Trade and other receivables pledged as security

No trade and other receivables were pledged as security.

Credit quality of trade and other receivables

Ongoing evaluation of the debtors takes place. The credit risk was assessed as low by the divisional management at year-end. The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The overall credit quality is considered to be high.

Other receivables

Other receivables is comprised primarily of amounts accrued to the company.

Fair value of trade and other receivables

Trade and other receivables	7 142	13 703	7 076

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

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 2019, R1 428 013 (2018: R 990- ; 2017: R 98 422 000) were past due but not impaired.

11. Trade and other receivables (continued)

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

	-	-	-
	-	-	-
	-	-	-
One month past due	956	5 973	1 703
Three months past due	4 717	3 599	160
	5 673	**9 572**	**1 863**

Trade and other receivables impaired

As of 31 August 2019, no trade and other receivables have been impaired because the company expects to collect them within the next 12 months and there are no indications that they cannot be collected.

Trade and other receivables currency denominated

The carrying amount of trade and other receivables are denominated in the following currencies:

Rand	7 142	13 703	7 076

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	9 767	5 258	1 084
Bank overdraft	(40 193)	(35 783)	(23 427)
	(30 426)	**(30 525)**	**(22 343)**
Current assets	9 767	5 258	1 084
Current liabilities	(40 193)	(35 783)	(23 427)
	(30 426)	**(30 525)**	**(22 343)**

The following facilities are held with:

ABSA Bank Ltd
African Equity Empowerment Investments Ltd has a R10 000 000 primary lending facility with ABSA Bank Ltd and is secured with unlimited cross-suretyship between African Equity Empowerment Investments Ltd, Health System Technologies (Pty) Ltd and Premier Fishing SA (Pty) Ltd supported by cession of loan accounts.

The following facilities are also held with ABSA Bank Ltd:
Financial guarantees to the value of R2 000 000
Term Loan to the value of R15 833 000
Credit cards to the value of R350 000

Security currently held by the bank:
Unlimited guarantee signed by Premier Fishing SA (Pty) Ltd, supported by cession of loan accounts.
Unlimited guarantee signed by AYO Technology Solution Limited (previously known as Sekunjalo Health Care Limited), supported by cession of accounts.
Limited guarantee signed for R5 700 000 by the Health System Technologies (Pty) Ltd.

Investec Bank Ltd
African Equity Empowerment Investments Ltd has a revolving credit facility of R34.1m secured as follows:

Covenants
Net Asset Value must be greater or equal to R500m (five hundred million rand).
Borrower Market Capitalisation must be greater or equal to R1bn (one billion rand)

12. Cash and cash equivalents (continued)

Security
African Equity Empowerment Investments Ltd cedes, all of its rights, title and interest in and to 2,687,869 shares in Sygnia Limited in favour of Investec Bank Ltd.

AEEI (the cedent) cedes in securitatem debiti all right, title and interest in and to any claims which may be payable to them arising out of or in connection with the Sygnia Shares, in favour of Investec Bank Limited.

Each subordinating Party subordinates their claims which they have against African Equity Empowerment Investments Limited, in favor of Investec Bank Limited.

Prior to year-end AYO provided an unlimited guarantee for AEEI's revolving credit facility with Investec Bank Ltd of R34m.

Subsequent to year-end this facility has been converted to a term loan.

Financial covenants applicable to the entity are as follows:
Interest cover ratio
Leverage ratio
Guarantor contribution test

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

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates. Cash and cash equivalents are held with reputable banking service providers. Absa Bank Ltd provides the majority of banking services used by the company and it is rated AA+ and A-1+ in the long term and short term respectively.

Credit rating			
Absa Bank Ltd Baa3	7 256	2 981	84
Nedbank Ltd Baa3	1 381	1 215	4
Investec BB+	1 131	1 062	996
	9 768	**5 258**	**1 084**

13. Share capital

Authorised			
10 000 000 Ordinary shares of no par value(unlisted)	100	100	100
1 000 000 000 'B' class ordinary shares of no par value of (listed)	20	20	20
518 660 516 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.	-	-	-
Upon a poll, in determining the total votes in the Company, each "B" ordinary no par value Share shall be deemed to entitle the holder thereof to one vote and each "A" ordinary no par value Share shall be deemed to entitle the holder thereof to 500 votes.			
	120	**120**	**120**

Issued			
491 022 434 (2018: 491 339 434) "B" class ordinary	30	30	30
Share premium	403 147	403 147	403 147
Shares repurchased	(937)	-	-
	402 240	**403 177**	**403 177**

During the period, and as approved at the AGM relating to general share repurchase, the Company bought back 317 000 shares representing 0.06% of the total shares in issue prior to the repurchase. The shares were purchased at an average price of R2.95 per share for a total cash consideration of R 936 887.

13. Share capital (continued)

The issued number of shares in issue are 491 022 434 (2018: 491 339 434).

14. Other financial liabilities

Held at amortised cost			
ABSA Bank Ltd - Term loan	10 833	20 833	50 833
The interest rate charged on the loan at 31 August 2019 is 10.14% (2018 10.33%) The loan is repayable in monthly instalments of R203 333. The loan is secured by a guarantee from Premier Fishing SA Ltd and AYO Technology Solutions Ltd.			
Other borrowings	19	43	54
Other borrowings are unsecured, bear interest at rates agreed between parties, have no fixed repayment terms and consists of loans to directors and other entities.			
	10 852	**20 876**	**50 887**

Non-current liabilities			
Non-current portion of financial liabilities	-	10 833	34 946
Current liabilities			
Current portion of financial liabilities	10 852	10 043	15 941
	10 852	**20 876**	**50 887**

Secured	10 833	20 833	50 833
Unsecured	19	1 863	4 437
	10 852	**22 696**	**55 270**

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

Floating rates	16 942	20 876	50 887
Weighted average effective interest rate (%)	10	92	37

15. Trade and other payables

Financial instruments:			
Trade payables	2 619	5 082	5 757
Non financial instruments:			
Value added tax	553	-	242
Other payables	13	12	161
Accrued expenses	3 918	3 903	3 418
Other payables	4 231	4 397	1 812
	11 334	**13 394**	**11 390**

16. Revenue

Revenue from contracts with customers		
Rendering of services	16 300	13 270
Revenue other than from contracts with customers		
Interest received (trading)	11 557	21 453
Dividends received (trading)	184 950	42 563
	196 507	**64 016**

Figures in Rand thousand	2019	2018

16. Revenue (continued)

	212 807	**77 286**

Disaggregation of revenue from contracts with customers

We have determined that the categories used by major products can be used to meet the objective of the disaggregation of revenue disclosure requirement, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount timing and uncertainty of revenue and cash flows are affected by economic factors.

.
The company has assessed that the disaggregation of revenue by operating segments is appropriate in meeting this disclosure requirement, as this is the information regularly reviewed by the chief decision maker, in order to evaluate the financial performance of the entity.:

17. Other income

Other income	54	57 736

* Other income includes monthly recoveries.

18. FAIR VALUE ADJUSTMENTS

Breakdown of fair value adjustments	**2019**	**2018**
Listed shares	3 788 464	4 458 377
Unlisted shares	(875)	(91 537)
	3 787 589	4 366 840
	3 787 589	**4 366 840**

19. Profit before tax

Profit before tax for the year is stated after charging (crediting) the following, amongst others:

Income from subsidiaries (other than investment income)		
Administration and management fees	16 300	71 004
Employee costs		
Salaries, wages, bonuses and other benefits	22 960	15 079

20. Investment income

Interest income		
From investments in financial assets:		
Bank and other cash	3 782	1 242
Other interest	5 493	583

21. Finance costs

Group companies	11 991	10 440
Financial liabilities	1 725	4 103
Bank	4 288	4 358
Total finance costs	**18 004**	**18 901**

Figures in Rand thousand	2019	2018	2017

22. Taxation

Major components of the tax expense (income)

Current		
Local income tax - current period	-	1 064
Local income tax - recognised in current tax for prior periods	-	(123)
	-	**941**
Deferred		
Originating and reversing temporary differences	(846 933)	978 389
	(846 933)	**979 330**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.00 %	28.00 %
Effect on capital gain inclusion in relation to fair value adjustments	(6.25)%	(6.77)%
Investment revenue	1.42 %	(1.05)%
Net impairments	0.12 %	2.40 %
Legal fees	(0.01)%	0.02 %
Audit and accounting fees	(0.02)%	0.01 %
Donations and corporate social investment	(0.01)%	0.02 %
Consulting fees	(0.01)%	0.03 %
Listing fees	(0.01)%	0.01 %
Deemed disposal of subsidiaries	- %	0.01 %
Prior period under/over provision	- %	0.01 %
	23.23 %	**22.68 %**

Reconciliation of movement in deferred tax		
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognised.	(846 933)	(957 442)
Prior year correction of deferred tax	-	173
Amount per income tax note	(846 933)	(957 269)

The estimated tax loss for the company available for set off against future taxable income is R331 240 915 (2018: R332 258 515.

23. Cash (used in)/generated from operations

Profit (loss) before taxation	(3 638 648)	4 321 560
Adjustments for:		
Depreciation and amortisation	95	175
Dividend income	(184 950)	(42 563)
Non-cash dividends and interest received	(10 542)	31 170
Interest income	(9 275)	(1 825)
Finance costs	18 004	18 901
Fair value losses (gains)	3 787 588	(4 366 840)
Impairment losses and reversals	15 926	92 545
Movements in provisions	-	(4 952)
Trade and other receivables	6 561	(6 627)
Trade and other payables	(2 865)	(594)
	(18 106)	**40 950**

Figures in Rand thousand	2019	2018

24. Tax (paid) refunded

Balance at beginning of the year	1 827	992
Current tax for the year recognised in profit or loss	-	(941)
Balance at end of the year	(1 021)	(1 827)
	806	**(1 776)**

25. Related parties

Relationships	
Holding company	Sekunjalo Investment Holdings
Subsidiaries	Refer to note 5
Associates	Refer to note 6

Members of key management personnel:
Key management personnel include the members of the Board, members of the company, executive committee, business executives and managers. Non-executive directors are included in the definition of key management personnel as well as any close family members of such persons and any entity over which key management exercise control, joint control or significant influence.

Related party balances

	2019	2018
Loan accounts - Owing (to) by related parties		
AEEI Properties (Pty) Ltd	(180)	(299)
Health Systems Technologies (Pty) Ltd	(5 367)	-
Premier Fishing and Brands Ltd	-	(3 090)
Premfresh Seafoods (Pty) Ltd	(72 764)	(80 112)
Kilomax (Pty) Ltd	(24 505)	(4 225)
Premier Fishing SA (Pty) Ltd	(393)	(1 913)
espAfrika (Pty) Ltd	(20 277)	(4 503)
AYO Technology Solutions Ltd	(5 000)	-
Afrinat (Pty) Ltd	8 102	6 450
African Biotechnological and Medical Innovations Investments (Pty) Ltd	5 998	62 168
Bowwood and Main No.180 (Pty) Ltd	31 920	28 188
AEEI Properties (Pty) Ltd	2 506	2 506
Bioclones (Pty) Ltd	707	17 234
espAfrika (Pty) Ltd	4 982	21 554
AEEI Events and Tourism (Pty) Ltd	30 044	17 520
Ribotech (Pty) Ltd	3 192	23 293
Global Command and Control Technologies (Pty) Ltd	20 862	-
Tripos Travel (Pty) Ltd	-	1 432
Opispex (Pty) Ltd	7 450	7 450
Magic 828 (Pty) Ltd	15 642	15 268
AEEI Events and Tourism (Pty) Ltd	2 768	2 814
Orleans Cosmetics (Pty) Ltd	20 133	17 838
Tshwaranang Media (Pty) Ltd	600	-
Afrinat (Pty) Ltd	600	-
Bioclones (Pty) Ltd	2 010	-
Sekunjalo Investment Holdings (Pty) Ltd	11 570	9 404
Key management	(19)	(43)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Sekunjalo Investment Holdings (Pty) Ltd	(6)	(6)
Sekunjalo Investment Holdings (Pty) Ltd	1 327	21
Independent Newspapers (Pty) Ltd	(134)	(121)
Independent Newspapers (Pty) Ltd	5	7
Sekunjalo Investment Holdings (Pty) Ltd	210	-
AYO Technology Solutions Ltd	(723)	-

Figures in Rand thousand	2019	2018
25. Related parties (continued)		
Bioclones (Pty) Ltd	(549)	(4 600)
Premier Fishing SA (Pty) Ltd	(733)	-
Tripos Travel (Pty) Ltd	(68)	-
AEEI Properties (Pty) Ltd	-	121
Magic 828 (Pty) Ltd	81	400
Marine Growers (Pty) Ltd	1	1
Premier Fishing SA (Pty) Ltd	5 360	82
espAfrika (Pty) Ltd	600	3 777
Tripos Travel (Pty) Ltd	600	689
Afrinat (Pty) Ltd	-	(3 029)
espAfrika (Pty) Ltd	-	(2 904)
Premier Fishing SA (Pty) Ltd	-	(542)
Tripos Travel (Pty) Ltd	-	(48)
AYO Technology Solutions (Pty) Ltd	-	4 315
Headset Solutions Africa (Pty) Ltd	245	-
Health Systems Technologies (Pty) Ltd	1	-
World Wide Creative (Pty) Ltd	1	-

Related party transactions

Interest paid to (received from) related parties		
Health Systems Technologies (Pty) Ltd	518	-
Premier Fishing SA (Pty) Ltd	582	-
Premfresh Seafoods (Pty) Ltd	7 652	-
Premier Fishing and Brands Ltd	1 774	9 790
AEEI Properties (Pty) Ltd	18	(15)
Kilomax (Pty) Ltd	1 446	-
Global Command and Control Technologies (Pty) Ltd	535	-
Afrinat (Pty) Ltd	(1 710)	(1 514)
African Biotechnological and Medical Innovations Investments (Pty) Ltd	-	(8 734)
AEEI Events and Tourism (Pty) Ltd	(448)	(1 724)
Ribotech (Pty) Ltd	(2 018)	-
Tripos Travel (Pty) Ltd	(233)	(205)
Orleans Cosmetics (Pty) Ltd	(2 295)	(1 772)
espAfrika (Pty) Ltd	(308)	(151)
Bowwood and Main No.180 (Pty) Ltd	(3 633)	(3 202)
Bioclones (Pty) Ltd	(1 572)	-
AYO Technology Solutions Ltd	-	(766)
Opispex (Pty) Ltd	-	(113)
Magic (Pty) Ltd	-	(617)
Sekunjalo Investment Holdings (Pty) Ltd	(1 037)	(793)
Key management	4	1
Administration fees and corporate finance fees paid to/(received from) related parties		
Premier Fishing and Brands Ltd	(6 420)	(4 711)
Magic 828 (Pty) Ltd	(420)	(420)
AEEI Properties (Pty) Ltd	(210)	(210)
AEEI Events and Tourism (Pty) Ltd	(210)	(210)
espAfrika (Pty) Ltd	(600)	(600)
Tripos Travel (Pty) Ltd	(600)	(600)
Bioclones (Pty) Ltd	-	4 000
AYO Technology Solutions Ltd	(7 560)	(64 903)
Other transactions with related parties		
Independent Newspapers (Pty) Ltd	(42)	(489)
Independent Newspapers (Pty) Ltd	234	859
Sekunjalo Media Holdings (Pty) Ltd	210	-
Afrinat (Pty) Ltd	(7)	-
Headset Solutions (Pty) Ltd	213	-

Figures in Rand thousand	2019	2018
25. Related parties (continued)		
Bioclones (Pty) Ltd	(5)	-
Health Systems Technologies (Pty) Ltd	(28)	-
Marine Growers (Pty) Ltd	(2)	-
Premier Fishing SA (Pty) Ltd	(137)	-
Ribotech (Pty) Ltd	(2)	(672)
Tripos Travel (Pty) Ltd	(7)	(636)
AYO Technology Solutions Ltd	(35)	(2 968)
Bioclones (Pty) Ltd	477	-
Premier Fishing SA (Pty) Ltd	233	-
Tripos Travel (Pty) Ltd	358	-
World Wide Creative (Pty) Ltd	11	-
espAFrika (Pty) Ltd	2 090	1 682
espAFrika (Pty) Ltd	-	(3 307)
AYO Technology Solutions Ltd	639	2 436
Dividends paid (recevied)		
Premier Fishing and Brands Ltd	(52 910)	(21 450)
AYO Technology Solutions Ltd	(110 413)	(18 746)
Compensation to directors and other key management		
Salaries and Short-term employee benefits	6 563	8 324
Pension and provident fund contribution	917	969
Bonus	4 356	3 871
Medical aid contributions	121	123

26. Directors' emoluments

These amounts include amounts paid by all group entities during the year.

Executive

2019

	Emoluments	Bonus	Provident fund	Expense allowance	Total
K Abdulla (Resigned, 12 March 2020)	3 845	3 274	521	76	7 716
C Ah Sing	1 470	334	199	22	2 025
CF Hendricks (Resigned, 18 January 2019)	446	257	89	9	801
AM Salie (Resigned, 18 January 2019)	802	491	108	14	1 415
	6 563	**4 356**	**917**	**121**	**11 957**

2018

	Emoluments	Bonus	Provident fund	Expense allowance	Total
K Abdulla (Resigned, 12 March 2020)	3 209	2 400	391	60	6 060
C Ah Sing	1 210	245	171	18	1 644
CF Hendricks (Resigned, 18 January 2019)	899	412	189	17	1 517
AM Salie (Resigned, 18 January 2019)	1 687	814	218	28	2 747
	7 005	**3 871**	**969**	**123**	**11 968**

Figures in Rand thousand 2019 2018

26. Directors' emoluments (continued)

Service contracts

Non-executive

2019

	Directors' fees	Directors' fees for services as directors' of subsidiaries	Total
Reverend Dr VC Mehana (Resigned, 14 March 2019)	265	186	451
JM Gaomab (Resigned, 18 January 2019)	95	-	95
I Amod (Appointed, 21 January 2019)	-	1 187	1 187
AB Amod	212	957	1 169
Adv Dr NA Ramathlodi	227	400	627
	799	**2 730**	**3 529**

2018

	Directors' fees	Total
Reverend Dr VC Mehana (Resigned, 14 March 2019)	425	425
JM Gaomab (Resigned, 18 January 2019)	212	212
AB Amod	852	852
Adv Dr NA Ramathlodi	106	106
S Young	364	364
	1 959	**1 959**

Reverend Dr VC Mehana's remuneration reflects his time served on the Board from 1 September 2018 to 14 March 2019. Mr TT Hove and Ms Z Barends waived their non-executive fees for their time served on the Board, from 1 September 2018 to 18 January 2019.
Mr Amod waived his non-executive fees for the time he served on the AEEI Board from 21 January 2019 to 31 August 2019. He serves on AYO Board from 21 January 2019 as a non-executive director and received consulting fees for the services rendered to a group subsidiary.
Mr G Colbie and Ms MG Mosia waived their non-executive fees.
The executive directors did not receive fees from other group companies/ subsidiaries.

Figures in Rand thousand 2019 2018

27. Prior period errors

During the course of the 2019 financial year, management of African Equity Empowerment Investments Limited identified that the entity's investments in its subsidiaries was overstated in the company's annual financial statements for the years ended 31 August 2017 and 31 August 2018.

AEEI's management recognises that a prior year error was made in determining the fair value of the subsidiaries where certain items such as equity loans and deferred tax should not have been included in the fair value calculation. This error was identified through the JSE's Proactive Monitoring process and requires a retrospective restatement of the Company's annual financial statements for the years ended 31 August 2017 and 31 August 2018. For the year ended 31 August 2017, this resulted in an overstatement of the retained earnings of R208m from R1 576m to R1 368m and in 2018, this resulted in an understatement of retained earnings of R129m.

Provisions have also been reclassified to accruals for the year ended 31 August 2018 in accordance with IAS 18 (Provision to accruals - IAS 18).

The above restatement had an effect on the Company's statements of financial position, equity, profit or loss and other comprehensive income as detailed in the table below.

The correction of the error results in adjustments as follows:

31 August 2018	**As previously reported**	**Amended**	**Restated**
Investment in subsidiaries	1 807 762	(166 257)	1 641 505
Loans to group companies	109 376	(942)	108 434
Total assets	**6 770 390**	**(167 199)**	**6 603 191**

Equity and liabilities	**As previously reported**	**Amended**	**Restated**
Retained earnings	(4 796 281)	129 654	(4 666 627)
Total equity	(5 199 458)	129 654	(5 069 804)
Loans from group companies	(94 142)	299	(93 843)
Provisions	(4 397)	4 397	-
Trade and other payables	(8 995)	(4 397)	(13 392)
Deferred tax	(1 404 019)	37 242	(1 366 777)
Total liabilities	**(1 570 932)**	**37 541**	**(1 533 391)**

Profit and Loss and Other Comprehensive Income	**As previously reported**	**Amended**	**Restated**
Net impairments	(97 646)	5 106	(92 540)
Fair value adjustments	4 272 553	94 287	4 366 840
Profit before tax	4 222 167	99 393	4 321 560
Taxation	(958 210)	(21 120)	(979 330)
Profit for the year	**3 263 957**	**78 273**	**3 342 230**

31 August 2017	**As previously reported**	**Amended**	**Restated**
Investment in subsidiaries	2 303 034	(260 545)	2 042 489
Loans to group companies	231 178	(5 712)	225 466
Total assets	**2 605 945**	**(266 257)**	**2 339 688**

Equity and liabilities	**As previously reported**	**Amended**	**Restated**
Retained earnings	(1 575 562)	207 927	(1 367 635)
Total equity	(1 978 739)	207 927	(1 770 812)
Loans from group companies	(89 962)	(31)	(89 993)
Deferred tax	(446 577)	58 362	(388 215)

Figures in Rand thousand 2019 2018

27. Prior period errors (continued)

Total liabilities	**(627 206)**	**58 331**	**(568 875)**

Profit and Loss and Other Comprehensive Income	**As previously reported**	**Amended**	**Restated**
Net impairments	31 788	(5 744)	26 044
Fair value adjustments	96 587	(260 545)	(163 958)
Profit before tax	183 426	(266 289)	(82 863)
Taxation	(23 729)	58 362	34 633
Profit for the year	**159 697**	**(207 927)**	**(48 230)**

Statement of Changes in Equity	**2018 R'0000**	**2017 R'0000**
Balance at 1 September (previously reported)	1 575	1 442
Profit for the year	3 264	160
Prior period error	(129)	(208)
Dividends	(43)	(26)
Balance at 31 August	**4 667**	**1 368**

28. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company'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 company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 7, 8 & 14 cash and cash equivalents disclosed in note 12, and as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company 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 company monitors capital on the basis of the gearing ratio.

The company 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 company's activities.

Financial risk management

Fair Value
The carrying amounts of the company'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.

28. Risk management (continued)

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

At 31 August 2019	Up to 1 year R'000	Between 1 and 2 years	Total
Bank overdraft	40 193	-	40 193
Trade and other payables	2 619	-	2 619
Other financial liabilities	10 833	19	10 852

At 31 August 2018	Up to 1 year R'000	2 to 5 years R'000	Total
Bank overdraft	35 783	-	35 783
Trade and other payables	8 995	-	8 995
Other financial liabilities	11 863	10 833	22 696

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:

The company market risk policy sets out the assessment and determination of what constitutes market risk for the company. 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.

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 company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.
The company has no significant concentration of interest rate risk.

At 31 August 2019, if interest rates had been 0.1% higher/lower with all other variables held constant, post-tax profit for the year would have been R 2 852 727 (2018: R 3 354 000) lower/higher.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due after five years
Trade and other receivables - normal credit terms	6.00 %	6 933	-
Loans to subsidiaries	10.00 %	-	127 025
Cash in current banking institutions	6.50 %	9 767	-
Overdraft facilities used	10.00 %	(40 193)	-

Figures in Rand thousand 2019 2018 2017

29. Financial assets by category

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

2019

	Amortised cost	Fair value through profit or loss	Total
Loans to group companies	154 125	-	154 125
Other financial assets	-	65 451	65 451
Cash and cash equivalents	9 767	-	9 767
Trade and other receivables	6 933	-	6 933
Other loans receivable	14 296	-	14 296
	185 121	**65 451**	**250 572**

2018

	Loans and receivables	Fair value through profit or loss - designated	Total
Loans to group companies	108 434	-	108 434
Other financial assets	-	63 532	63 532
Cash and cash equivalents	5 258	-	5 258
Trade and other receivables	9 674	-	9 674
Other loans receivable	12 506	-	12 506
	135 872	**63 532**	**199 404**

Employee costs in advance, prepayments and VAT have been excluded from the trade receivables amount.

30. Financial liabilities by category

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

2019

	Financial liabilities at amortised cost	Total
Loans from group companies	122 939	122 939
Other financial liabilities	10 852	10 852
Trade and other payables	2 619	2 619
Bank overdraft	40 193	40 193
	176 603	**176 603**

2018

	Financial liabilities at amortised cost	Total
Loans from group companies	93 843	93 843
Other financial liabilities	22 696	22 696
Trade and other payables	5 082	5 082
Bank overdraft	23 427	23 427
	145 048	**145 048**

Figures in Rand thousand		2019	2018	2017

31. 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 company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets	Note(s)			
Financial assets designated at fair value through profit (loss)	9			
Investment in listed public companies		22 847	26 879	26 207
Total		**22 847**	**36 113**	**26 207**

Level 3

Recurring fair value measurements

Assets	Note(s)			
Financial assets designated at fair value through profit (loss)	9			
Investment in unlisted private companies		-	540	-
Investments in unlisted public companies		36 113	36 113	25 231
Total financial assets designated at fair value through profit (loss)		**36 113**	**36 653**	**25 231**
Total		**283 423**	**63 532**	**51 438**

Figures in Rand thousand 2019 2018 2017

31. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Gains (losses) recognised in profit (loss)	Transfers into (level 1)	Closing balance
Company - 2019					
Assets					
Non-financial assets: Investments in subsidiaries at fair value	5				
Investments in subsidiaries		1 641 505	(15 926)	999 711	2 625 290
Financial assets: Investments in unlisted companies	9				
Investments in unlisted public companies		36 113	-	-	36 113
Total		**1 677 618**	**(15 926)**	**999 711**	**2 661 403**
Company - 2018 Restated					
Assets					
Investments in subsidiaries at fair value	5				
Investments in subsidiaries		2 042 489	(4 366 840)	3 965 856	1 641 505
Financial assets designated at fair value through profit (loss)	9				
Other financial assets		25 231	10 882	-	36 113
Total		**2 067 720**	**(4 355 958)**	**3 965 856**	**1 677 618**

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 10, 15 and 16.

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 20 and 24.

31. Fair value information (continued)

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

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. Other assets and liabilities approach.

Significant assumptions	WACC 2019	WACC 2018
Technology division	16% - 25%	16% - 25%
Corporate and strategic divisions	10%	11%
Health and beauty division	16% - 28%	16% - 30%
Biotechnology division	16% - 30%	30%
Events and tourism division	19% - 30%	19% - 30%
Beta	1.00 - 1.52	1.00 - 1.52
Terminal growth rate	2% - 6%	2% - 6%
	-	

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.

Significant Assumptions	2019	2018
Weighted average cost of capital	10% - 23%	9.5%
Target debt/equity ratio	0% - 70%	186%
Beta	1.2% - 1.23%	1.3%
Specific risk premium	1% - 2%	1%
Terminal growth rate	2%	2%
	-	-

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.

Sensitivity	2019 R'000	2018 R'000
Cost of debt	9 703	12 013
Beta	6 025	5 791
Weighted average cost of capital	18 195	25 060
Specific risk premium	5 917	9 094
Target debt/equity ratio	(24 779)	4 160
Terminal growth rate	(21 270)	14 304
	(6 209)	**70 422**

Valuation processes applied by the company

The fair value is performed by the company's corporate finance department. The corporate finance department reports to the Group's Chief Investment Officer (CIO). The valuation reports are discussed with the Audit committee in accordance with the company's reporting policies

32. Dividend payable

A final dividend of 6.00 cents per share has been approved by the Board of directors on 23 December 2019 in South African currency in respect of the year ended 31 August 2019. The dividend is payable on 3 February 2020 to shareholders recorded in the register of the Company at close of business on 31 January 2020.

33. Going concern

Following the recent COVID-19 virus pandemic, certain financial pressures will be placed onto the Company. After reviewing the updated cash flow forecasts and cost cutting measures implemented by the Company, the directors believe that the Company still has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. Some of the measures that have been implemented to mitigate the risks arising from this force majeure event and to enable the Company to remain sustainable include:

Suspension of provident and pension fund contributions
Negotiations with suppliers for extended credit terms ranging for up to 6 months
Temporary deferral or reductions in lease payments
Other costs reductions

The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes, except for the COVID-19 pandemic that may economically impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

34. Events after the reporting period

Due to the recent Covid-19 pandemic outbreak, most industries across the globe have been severely affected due to restrictive measures implemented by governments to contain/ curb the spreading of the virus, therefore negatively affecting the financial markets and financial assets.

Management do not believe there are any other subsequent events that require disclosure.

Figures in Rand thousand	2019	2018	2017

35. Dividends paid

Balance at beginning of the year		(900)	-
Dividends		(113 022)	(43 238)
Balance at end of the year		3 314	900
		(110 608)	**(42 338)**

Dividends are from capital profits.

African Equity Empowerment Investments Limited
(Registration number 1996/006093/06)

DETAILED INCOME STATEMENT

Figures in Rand thousand	Note(s)	2019	2018
Revenue			
Rendering of services		16 300	13 270
Interest received (trading)		11 557	21 453
Dividends received (trading)		184 950	42 563
	16	**212 807**	**77 286**
Other operating income			
Other income		54	57 736
Other operating gains (losses)			
Reversal of impairment losses		1 742	17 036
Fair value (losses) gains		(3 787 589)	4 366 840
		(3 785 847)	**4 383 876**
Expenses (Refer to page 65)		**(56 934)**	**(180 262)**
Operating (loss) profit	19	**(3 629 920)**	**4 338 636**
Investment income	20	9 275	1 825
Finance costs	21	(18 004)	(18 901)
(Loss) profit before taxation		**(3 638 649)**	**4 321 560**
Taxation	22	846 933	(979 330)
(Loss) profit for the year		**(2 791 716)**	**3 342 230**

DETAILED INCOME STATEMENT

Figures in Rand thousand	Note(s)	2019	2018
Other operating expenses			
Advertising		3 226	1 367
Amortisation		3	3
Auditors remuneration - external auditors	19	1 929	2 130
Bad debts		821	-
Bank charges		588	986
Computer expenses		155	129
Consulting and professional fees		1 184	27 394
JSE Sponsorship and listing fees		981	402
Legal fees		1 917	807
Depreciation		92	172
Donations		7	59
Employee costs		22 960	15 079
Entertainment		709	439
Corporate social investment		1 063	300
Broker trustee fees		39	16
Meetings and seminars		-	45
Trade marks		4	10
Office expenses		-	2
Impairment		17 669	109 581
Insurance		78	111
Lease rentals on operating lease		6	15 116
Motor vehicle expenses		3	-
Other expenses		497	1 764
Postage		-	1
Printing and stationery		878	766
Promotions		280	498
Royalties and license fees		40	101
Secretarial fees		179	189
Security		171	108
Staff welfare		24	57
Subscriptions		124	849
Telephone and fax		115	75
Training		721	1 128
Travel - local		157	241
Travel - overseas		314	337
		56 934	**180 262**