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SEKUNJALO HEALTH CARE LIMITED
(REGISTRATION NUMBER 1996/014461/06)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

Audited Annual Financial Statements
Prepared by : Chipso Mhonyera Nhiwatiwa (B.Comm(Hons) Unisa)
Published 23 October 2013

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Sekunjalo Health Care Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2013

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	An investment holding company owning subsidiaries involved in manufacturing of natural hygiene and sanitation products and information technology and telecommunications
Directors	A B Amod A Wolmarans C Ah Sing C F Hendricks K Abdulla M I Surve T Hove
Registered office	Quay 7 East Pier Victoria and Alfred Waterfront Cape Town 8001
Business address	Quay 7 East Pier Victoria and Alfred Waterfront Cape Town 8001
Postal address	P.O. Box 181 Cape Town 8000
Bankers	ABSA Bank Limited
Auditors	PKF (Cpt) Inc. Chartered Accountants (S.A.) Registered Auditors
Secretary	C F Hendricks
Company registration number	1996/014461/06

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

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23 October 2013



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Report of the Independent Auditors

To the shareholders of Sekunjalo Health Care Limited

We have audited the annual financial statements of Sekunjalo Health Care Limited, Group and Company which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year ended 31 August 2013, a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 50.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Standards on Auditing and in the manner required by the Companies Act of South Africa. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the annual financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual financial statements.

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

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PKF (Cpt) Inc. Registered Auditors Chartered Accountants (SA) A member firm of PKF International Ltd Reg no. 2000/016512/21.
Directors: JM Nield (Managing) MJ Betts RA Campbell SF Cillié B Jackson F Mohamed NI Strybis B van der Walt Y Weaver-Sasman
Consultant: MJ Giles FE Rooknodien



PKF South Africa Inc is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms. PKF in Southern Africa practise as separate incorporated entities in Cape Town, Durban, Port Elizabeth, Pretoria, Welkom, Namibia.

Report of the Independent Auditors

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Group and Company at 31 August 2013 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Emphasis of Matter

Without qualifying our opinion above, we draw your attention to the financial statements which indicate that the company has an accumulated loss of R 177,011,031 and the group R 204,888,543 for the year ended 31 August 2013 and as of that date the company's total liabilities exceeded its total assets by R 8,182,944 and the group R 36,060,453.

We draw attention to note 2 of the Director's Report which states that the ability of the company to continue as a going concern is dependant on a number of factors. The most significant of these is the successful implementation and execution of the business plan resulting in the resumption of profitable operations, and that the holding company guarantees any possible shortfall to creditors by way of letter of support and subordination of its loans until the company's assets fairly valued, exceed its liabilities.

Accordingly, the annual financial statements do not include any adjustments relating to the recoverability or classification of assets or to the amount and classification of liabilities that might be necessary if the company is unable to continue as a going concern.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 August 2013, we have read the Director's Report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.



PKF (Cpt) Inc.
Chartered Accountants (S.A.)
Registered Auditors

Per: R Campbell

Cape Town
23 October 2013

Sekunjalo Health Care Limited

(Registration number 1996/014461/06)

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group 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 annual 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 judgments and estimates.

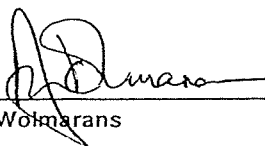
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal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

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

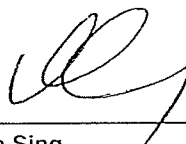
The directors have reviewed the group's cash flow forecast for the year to 31 August 2014 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 6 to 51, which have been prepared on the going concern basis, were approved by the board on 09 October 2013 and were signed on its behalf by:



A Wolmarans



C Ah Sing

Cape Town

23 October 2013

Sekunjalo Health Care Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2013

Directors' Report

The directors submit their report for the year ended 31 August 2013.

1. Review of activities

Main business and operations

The group is engaged in an investment holding company owning subsidiaries involved in manufacturing of natural hygiene and sanitation products and information technology and telecommunications and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

We draw attention to the fact that at 31 August 2013, the company had accumulated losses of R 177,011,031 and that the company's total liabilities exceed its assets by R 8,182,944 and the group R 204,311,963 and R36,060,453.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is the successful implementation and execution of the business plan resulting in the resumption of profitable operations and that the holding company guarantees any possible shortfall to the creditors by way of a letter of support and subordination of its loans until the company's assets fairly valued, exceed its liabilities.

3. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Authorised and issued share capital

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

5. Directors

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

Name	Nationality	Changes
A B Amod	South African	Appointed 25 February 2013
A Wolmarans	South African	
C Ah Sing	South African	
C F Hendricks	South African	
K Abdulla	South African	
M I Surve	South African	
T Hove	Zimbabwean	Appointed 30 July 2013

6. Secretary

The secretary of the company is C F Hendricks of:

Business address

Quay 7 East Pier
Victoria and Alfred
Waterfront
Cape Town
8001

Postal address

P.O. Box 181
Cape Town
8000

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Directors' Report

7. Holding company

The company's holding company is Sekunjalo Investments Limited incorporated in South Africa, a company listed on the JSE.

8. Auditors

PKF (Cpt) Inc. will continue in office in accordance with section 90 of the Companies Act of South Africa. The audit risk committee has satisfied itself of the independence of the auditors and the designated auditor.

9. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

10. Investment in subsidiaries

A subsidiary Sekpharma (Proprietary) Limited was disposed on 01 September 2012 to Sekunjalo Investments Limited. On 31 August 2013, a subsidiary Saratoga Software (Proprietary) Limited Group was purchased from Sekunjalo Technology Solutions Group (Proprietary) Limited.

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Statement of Financial Position

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Assets					
Non-Current Assets					
Property, plant and equipment	3	1,695,738	2,966,473	14,203	1,920,452
Goodwill	4	15,554,570	2,157,275	-	-
Intangible assets	5	70,977	14,388,470	-	500,000
Investments in subsidiaries	6	-	-	52,047,142	27,392,539
Investment in joint venture	7	50,000	50,000	50,000	50,000
Investments in associate	8	30	-	30	-
Loans to group companies	9	2,978,636	16,203,059	7,389,275	29,100,281
Other financial assets		31,182	6,766	-	-
Deferred tax	10	12,629,894	8,655,977	7,668,587	5,094,994
		33,011,027	44,428,020	67,169,237	64,058,266
Current Assets					
Inventories	11	966,143	4,880,262	-	-
Loans to group companies	9	17,429	-	-	-
Other financial assets		-	51,021	-	-
Trade and other receivables	12	40,657,038	27,552,085	373,988	877,579
Cash and cash equivalents	13	19,651,585	9,860,779	136,120	14,293
		61,292,195	42,344,147	510,108	891,872
Non-current assets held for sale	36	2,127,083	-	2,127,083	-
Total Assets		96,430,305	86,772,167	69,806,428	64,950,138
Equity					
Attributable to Holders of Parent					
Share capital	14	168,828,087	168,828,087	168,828,087	168,828,087
Accumulated loss		(204,888,540)	(203,349,555)	(177,011,031)	(191,387,162)
		(36,060,453)	(34,521,468)	(8,182,944)	(22,559,075)
Non-controlling interest		10,160,667	(203,979)	-	-
		(25,899,786)	(34,725,447)	(8,182,944)	(22,559,075)
Liabilities					
Non-Current Liabilities					
Loans from group companies	9	72,530,707	81,396,447	70,116,181	81,396,031
Other financial liabilities	15	562,500	-	-	-
Deferred tax	10	810,276	951,391	7,668,587	5,094,994
		73,903,483	82,347,838	77,784,768	86,491,025
Current Liabilities					
Other financial liabilities	15	2,105	228,282	2,105	9,150
Current tax payable		2,251,282	1,161,109	-	-
Trade and other payables	16	19,311,304	23,309,065	175,037	983,626
Deferred income		16,570,983	11,580,386	-	-
Provisions	17	9,097,548	2,870,934	27,462	25,412
Bank overdraft	13	1,193,386	-	-	-
		48,426,608	39,149,776	204,604	1,018,188
Total Liabilities		122,330,091	121,497,614	77,989,372	87,509,213
Total Equity and Liabilities		96,430,305	86,772,167	69,806,428	64,950,138

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Statement of Comprehensive Income

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Continuing operations					
Revenue	18	120,216,658	104,922,037	535,694	3,180,000
Cost of sales		(71,424,462)	(56,783,421)	-	-
Gross profit		48,792,196	48,138,616	535,694	3,180,000
Other income		4,983,824	128,758	9,742,615	14,848
Operating expenses		(53,504,120)	(37,405,184)	(17,536,441)	(9,905,606)
Operating profit (loss)	19	271,900	10,862,190	(7,258,132)	(6,710,758)
Investment revenue	20	3,253,256	924,802	9,196,558	1,289,577
Fair value adjustments		-	-	13,836,523	1,361,985
Finance costs	21	(1,531,296)	(1,732,534)	(1,398,818)	(1,176,047)
Profit (loss) before taxation		1,993,860	10,054,458	14,376,131	(5,235,243)
Taxation	22	(3,532,845)	(3,985,528)	-	-
(Loss) profit from continuing operations		(1,538,985)	6,068,930	14,376,131	(5,235,243)
Discontinued operations					
Loss from discontinued operations		-	(3,755,288)	-	-
(Loss) profit for the year		(1,538,985)	2,313,642	14,376,131	(5,235,243)
Other comprehensive income		-	-	-	-
Total comprehensive (loss) income		(1,538,985)	2,313,642	14,376,131	(5,235,243)
Total comprehensive (loss) income attributable to:					
Owners of the parent		(1,538,985)	8,911,040	14,376,131	(5,235,243)
Non-controlling interest		-	(6,597,398)	-	-
		(1,538,985)	2,313,642	14,376,131	(5,235,243)
Basic earnings per share	(0.76)c		1.14c	-	-
Headline earnings per share	(0.76)c		1.14c	-	-
Weighted average number of shares		202,151,960	202,151,960	-	-

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Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Accumulated loss	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Group							
Balance at 01 September 2011	808,607	168,019,480	168,828,087	(212,260,595)	(43,432,508)	6,393,419	(37,039,089)
Changes in equity	-	-	-	8,911,040	8,911,040	(6,597,398)	2,313,642
Total comprehensive income for the year	-	-	-	8,911,040	8,911,040	(6,597,398)	2,313,642
Total changes	-	-	-	8,911,040	8,911,040	(6,597,398)	2,313,642
Balance at 01 September 2012	808,607	168,019,480	168,828,087	(203,349,555)	(34,521,458)	(203,979)	(34,725,447)
Changes in equity	-	-	-	(1,538,985)	(1,538,985)	-	(1,538,985)
Total comprehensive income for the year	-	-	-	-	-	203,979	203,979
Disposal of subsidiary	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	10,160,667	10,160,667
Total changes	-	-	-	(1,538,985)	(1,538,985)	10,364,646	8,825,661
Balance at 31 August 2013	808,607	168,019,480	168,828,087	(204,888,540)	(36,060,453)	10,160,667	(25,899,786)
Company							
Balance at 01 September 2011	808,607	168,019,480	168,828,087	(186,151,919)	(17,323,832)	-	(17,323,832)
Changes in equity	-	-	-	(5,235,243)	(5,235,243)	-	(5,235,243)
Total comprehensive income for the year	-	-	-	(5,235,243)	(5,235,243)	-	(5,235,243)
Total changes	-	-	-	(5,235,243)	(5,235,243)	-	(5,235,243)
Balance at 01 September 2012	808,607	168,019,480	168,828,087	(191,387,162)	(22,559,075)	-	(22,559,075)
Changes in equity	-	-	-	14,376,131	14,376,131	-	14,376,131
Total comprehensive income for the year	-	-	-	14,376,131	14,376,131	-	14,376,131
Total changes	-	-	-	14,376,131	14,376,131	-	14,376,131
Balance at 31 August 2013	808,607	168,019,480	168,828,087	(177,011,031)	(8,182,944)	-	(8,182,944)

Figures in Rand

Sekunjalo Health Care Limited

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Statement of Cash Flows

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Cash flows from operating activities					
Cash receipts from customers		110,774,499	63,250,591	872,484	1,510,009
Cash paid to suppliers and employees		(96,820,103)	(50,036,745)	7,998,995	(1,795,104)
Cash generated from operations	25	13,954,396	13,213,846	8,871,479	(285,095)
Interest income		3,253,256	924,802	2,031,273	1,289,577
Dividends received		-	-	7,165,285	-
Finance costs		(1,531,296)	(1,732,534)	(1,398,818)	(1,176,047)
Tax payment	33	(5,680,226)	(6,130,825)	-	-
Net cash from operating activities		9,996,130	6,275,289	16,669,219	(171,565)
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(713,006)	(603,225)	-	(10,770)
Investment in associate		(30)	-	-	-
Cash from acquisition of subsidiary	34	6,504,652	-	-	-
Cash outflow from disposal of subsidiary	35	(692,248)	-	-	-
Loans to group companies repaid/(advanced)		(3,702,318)	(10,396,592)	5,557,613	(14,159,911)
Proceeds from loans from group companies		-	14,378,473	-	14,325,745
Repayment of loans from group companies		(3,158,688)	-	(22,097,960)	-
Sale of financial assets		26,605	(57,787)	-	-
Net cash from investing activities		(1,735,033)	3,320,869	(16,540,347)	155,064
Cash flows from financing activities					
Proceeds from other financial liabilities		336,323	-	-	-
Repayment of other financial liabilities		-	(6,396,434)	(7,045)	(19,000)
Net cash from financing activities		336,323	(6,396,434)	(7,045)	(19,000)
Total cash movement for the year		8,597,420	3,199,724	121,827	(35,501)
Cash at the beginning of the year		9,860,779	6,661,055	14,293	49,794
Total cash at end of the year	13	18,458,199	9,860,779	136,120	14,293

Sekunjalo Health Care Limited

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Annual Financial Statements for the year ended 31 August 2013

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, other than certain financial instruments which are carried at fair value, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

Underlying concepts

The financial statements are prepared on the going concern basis, which assumes that the Group will continue in operation for the foreseeable future. The financial statements are prepared using the accrual accounting whereby the effects of transactions and other events are recognised when they occur, rather than when the cash is received or paid.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively, unless it is impracticable to do so, in which case they are applied prospectively.

Changes in accounting estimates are recognised in profit and loss.

Prior period errors are retrospectively restated unless it is impracticable to do so, in which case they are applied prospectively.

1.1 Significant judgements

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 judgement is 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:

- the fair values of financial assets and liabilities classified and accounted for in accordance with the policies set out above
- the estimation of the lives of property, plant and equipment is based on historic performance as well as expectations about future use of and therefore requires significant degree of judgement to be applied by management. These depreciation rates represents management's current best estimate of the useful lives of the assets.

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

Valuation method

An entity discounted cash flow (DCF) valuation technique is used for all unlisted investments that are held at fair value. Price/earnings are not as accurate and are thus only used as a secondary review.

Application of methodology

Free cash flow (FCF) forecasts are prepared year-by-year for a minimum of a three year period and for high-growth companies year-by-year forecasts for a period of five to ten years are prepared.

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. The growth rates used were between 4% and 10% for the group.

Sekunjalo Health Care Limited

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Annual Financial Statements for the year ended 31 August 2013

Accounting Policies

1.1 Significant judgements (continued)

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 for high-growth companies. For mature, stable companies net capital investment during the specific forecast period and beyond is assumed to be the same.

Discount rates

Free cash flows are discounted at the group'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 and/or any other non-equity form of financing. The discount rates used were between 18.63% and 35% within the divisions in the group.

Risk free rate

The risk free rate utilised is the yield on ten-year government bonds. These yields were obtained from the financial press at the time of preparing the valuations. Where no ten-year SA bonds are in issue, the nearest long term SA bond rate should be used. The risk free rate used was 7.38%.

Beta

The equally weighted average of the relevant industry betas are used.

The betas are calculated over a five-year period (where possible). This is assumed to provide a fair estimate of the group's recent market price. The beta used for the group was 1.5.

Market risk premium

A market risk premium was utilised in all valuations. The market risk premium used was 6%.

Value of equity

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

Trade Receivables and Loans and Receivables

The group assesses its trade receivables and loans and receivables for impairment at each balance sheet date. In determining whether an impairment loss should be recorded in the income statement, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Discounted cash flows are used to determine fair value for the investments in subsidiary companies. The use of 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.

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1.1 Significant judgements (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17 - Provisions.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

1.2 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Average useful life
Plant and machinery	1 - 36 years
Furniture and fixtures	2 - 20 years
Motor vehicles	1 - 10 years
Office equipment	3 - 21 years
IT equipment	1 - 8 years
Computer software	2 - 5 years
Leasehold improvements	5 - 40 years
Pharmaceutical handbooks	3 years

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1.2 Property, plant and equipment (continued)

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

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

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

1.3 Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill is carried at cost less any accumulated impairment. Goodwill is tested for impairment annually and whenever there is an indication of impairment and is not amortised.

The excess of the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

Item	Useful life
Patents and trademarks	15 - 20 years (finite)
Software development costs	10 years (finite)
Pharmaceutical dossiers	20 years (finite)

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1.5 Investments in subsidiaries

Company annual financial statements

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

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.

The fair value of the investments in subsidiaries is determined by using discounted cash flow analysis.

Group annual financial statements

The group's annual financial statements include those of the holding company, its subsidiaries and joint ventures. The results of the subsidiaries are included from the effective date of acquisition.

On acquisition the group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

1.6 Financial instruments

Initial recognition

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

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

The group's principal financial assets are various investments, long term loans receivable, trade and other current receivables and bank and cash balances. The group's financial liabilities are long term interest bearing and non interest bearing loans payable and non trade and other payables.

Offsetting

Financial assets and financial liabilities are only offset if there is a legally enforceable right to off set the recognised amounts and there is an intention to either settle on a net basis or realise the asset and settle the liability simultaneously.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised directly in equity until the asset is disposed of or determined to be impaired. Interest on available for sale financial assets calculated using the effective interest rate method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

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Accounting Policies

1.6 Financial instruments (continued)

Impairment of financial assets

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

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

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

Impairment losses are recognised in profit or loss.

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.

Loans to (from) group companies

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

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

Impairment losses are reversed in subsequent period when an increase in the loans 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 of impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

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

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and direct transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, including any transaction costs that are directly attributable to the acquisition of these financial liabilities, and are subsequently measured at amortised cost, using the effective interest rate method. Any amortisation gains or losses on subsequent measurement are included in the calculation of net profit or loss for the period in which the change arises, while the net profit or loss for the period in which the relevant liability is derecognised is also adjusted.

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Accounting Policies

1.6 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value. The group does not assess these financial assets for impairment at every balance sheet date. All regular way purchases and sales are accounted for at trade date.

Bank overdraft and borrowings

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

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

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1.8 Leases

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

Finance leases – lessee

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

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

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

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Any contingent rents are expensed in the period they are incurred.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

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

1.10 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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

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

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

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

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

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

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Accounting Policies

1.10 Impairment of assets (continued)

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

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

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

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

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 31.

1.12 Revenue

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

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

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

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1.12 Revenue (continued)

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

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

1.13 Cost of sales

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

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

1.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

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

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

1.16 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all entities, including special purpose entities, which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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Accounting Policies

1.17 Investment in joint venture

Company annual financial statements

An investment in a joint venture is carried at cost less any accumulated impairment.

In respect of its interests in jointly controlled operations, the group recognises in its annual financial statements:

- the profits accumulated from the joint venture on an equity basis as a single line item on the statement of financial position.

1.18 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.

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Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which are in issue but not yet effective:

- **IFRS 1: First-time Adoption of International Financial Reporting Standards**
 - Accounting policy changes in the year of adoption
 - Revaluation basis as deemed cost
 - Use of deemed cost for operations subject to rate regulation
 - Standard amended to provide guidance for entities emerging from severe hyperinflation and resuming presentation of IFRS compliant financial statements, or presenting IFRS compliant financial statements for the first time.
 - Standard amended to remove the fixed date of 1 January 2004 relating to the retrospective application of the derecognition requirements of IAS 39, and relief for first-time adopters from calculating day 1 gains on transactions that occurred before the date of adoption
- **IFRS 3: Business Combinations**
 - Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS
 - Measurement of non-controlling interests
 - Un-replaced and voluntarily replaced share-based payment awards
 - Amendments require additional disclosure on transfer transactions of financial assets, including the possible effects of any residual risks that the transferring entity retains. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period
- **IFRS 7: Financial Instruments: Disclosures**
 - Clarification of disclosures
 - Additional disclosure on transfer transactions of financial assets
- **IFRS 9: Financial Instruments**
 - New standard that forms the first part of a three part project to replace IAS 39 Financial Instruments: Recognition and Measurement
- **IFRS 10: Consolidated Financial Statements**
 - New standard on consolidation – replaces the consolidation section in IAS 27
- **IFRS 13: Fair Value Measurement**
 - The standard establishes a single framework for measuring fair value where that is required by other standards.
The standard applies to both financial and non-financial items measured at fair value.
- **IAS 1: Presentation of Financial Statements**
 - Clarification of statement of changes in equity
- **IAS 24: Related Party Disclosure**
 - Clarification of the definition of related party
- **IAS 34: Interim Financial Reporting**
 - Significant events and transactions

The directors anticipate that the adoption of these standards and interpretations in the future periods will have no material impact on the financial statements of the group.

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Notes to the Annual Financial Statements

Figures in Rand	Group		Company	
	2013	2012	2013	2012

3. Property, plant and equipment

Group	2013			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	-	-	-	2,750,000	(847,917)	1,902,083
Furniture and fixtures	816,556	(548,590)	267,966	551,923	(308,599)	243,324
Motor vehicles	-	-	-	42,483	(20,673)	21,810
Office equipment	331,842	(242,810)	89,032	187,258	(108,771)	78,487
IT equipment	4,536,886	(3,757,363)	779,523	3,027,663	(2,344,823)	682,840
Computer software	602,264	(568,570)	33,694	104,671	(66,742)	37,929
Leasehold improvements	980,792	(455,269)	525,523	-	-	-
Pharmaceutical handbooks	-	-	-	3,149	(3,149)	-
Total	7,268,340	(5,572,602)	1,695,738	6,667,147	(3,700,674)	2,966,473

Company	2013			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	-	-	-	2,750,000	(847,917)	1,902,083
Furniture and fixtures	162,694	(149,421)	13,273	162,694	(147,302)	15,392
Office equipment	6,489	(6,489)	-	6,489	(5,354)	1,135
IT equipment	263,482	(262,552)	930	263,482	(261,640)	1,842
Total	432,665	(418,462)	14,203	3,182,665	(1,262,213)	1,920,452

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Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2013

	Opening balance	Additions	Additions through business combinations	Classified as held for sale	Disposals through sale of subsidiary	Depreciation	Total
Plant and machinery	1,902,083	-	-	(1,627,083)	-	(275,000)	-
Furniture and fixtures	243,324	-	80,234	-	-	(55,592)	267,966
Motor vehicles	21,810	-	-	-	(21,810)	-	-
Office equipment	78,487	35,902	37,859	-	(42,965)	(20,251)	89,032
IT equipment	682,840	67,167	393,414	-	(18,725)	(345,173)	779,523
Computer software	37,929	13,000	5,620	-	-	(22,855)	33,694
Leasehold improvements	-	596,934	11	-	-	(71,422)	525,523
	2,966,473	713,003	517,138	(1,627,083)	(83,500)	(790,293)	1,695,738

Reconciliation of property, plant and equipment - Group - 2012

	Opening balance	Additions	Additions through business combinations	Classified as held for sale	Disposals through sale of subsidiary	Depreciation	Total
Plant and machinery	2,177,083	-	-	-	-	(275,000)	1,902,083
Furniture and fixtures	298,917	7,454	-	-	-	(63,047)	243,324
Motor vehicles	30,307	-	-	-	-	(8,497)	21,810
Office equipment	77,149	25,720	-	-	-	(24,382)	78,487
IT equipment	795,114	528,674	-	-	-	(640,948)	682,840
Computer software	2,086	41,377	-	-	-	(5,534)	37,929
Pharmaceutical handbooks	263	-	-	-	-	(263)	-
	3,380,919	603,225	(83,500)	(1,627,083)	(83,500)	(1,017,671)	2,966,473

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	2013	2012	2013	2012

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2013

	Opening balance	Classified as held for sale	Depreciation	Total
Plant and machinery	1,902,083	(1,627,083)	(275,000)	-
Furniture and fixtures	15,392	-	(2,119)	13,273
Office equipment	1,135	-	(1,135)	-
IT equipment	1,842	-	(912)	930
	1,920,452	(1,627,083)	(279,166)	14,203

Reconciliation of property, plant and equipment - Company - 2012

	Opening balance	Additions	Depreciation	Total
Plant and machinery	2,177,083	-	(275,000)	1,902,083
Furniture and fixtures	17,512	7,454	(9,574)	15,392
Office equipment	2,327	1,718	(2,910)	1,135
IT equipment	2,755	1,598	(2,511)	1,842
	2,199,677	10,770	(289,995)	1,920,452

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

4. Goodwill

Group	2013			2012		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	15,935,264	(380,694)	15,554,570	2,537,969	(380,694)	2,157,275

Reconciliation of goodwill - Group - 2013

	Opening balance	Additions through business combinations	Total
Goodwill	2,157,275	13,397,295	15,554,570

Reconciliation of goodwill - Group - 2012

	Opening balance	Total
Goodwill	2,157,275	2,157,275

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	2013	2012	2013	2012

4. Goodwill (continued)

Other information

Goodwill relates to the group's interest in Health System Technologies (Pty) Ltd. The group performs an annual valuation for purposes of valuing the shares of Health System Technologies (Pty) Ltd. The valuation method is the basis for valuing the goodwill which is allocated to Health System Technologies as a cash generating unit (CGU).

The value of the CGU to which the goodwill was allocated has been determined based on the value in use calculations using management generated cash flows projections. The carrying value has been calculated to be less than the recoverable amount and therefore no impairment has been recognised.

The following were principal assumptions that were used to calculate the net present value of the CGU:

	2013	2012
Number of years	5	5
Growth rate	4.5%	4.5%
Weighted average cost of capital	23.10%	25.73%

The addition through business combination relates to the acquisition of Saratog Software Proprietary Limited Group which was acquired as a going concern on 31 August 2013 from Sekunjalo Technology Solutions Group (Pty). Goodwill was tested in the same manner as Health Systems Technologies (Pty) Ltd above with the following assumptions and estimates.

The following significant assumptions were used:

Number of years of cashflows:	5-7years
Terminal growth rate	4-6%
Beta	1.2-1.5
Specific risk premium (in %):	4-7%

5. Intangible assets

Group	2013			2012		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Patents and trademarks	-	-	-	500,000	-	500,000
Software development costs	3,488,941	(3,488,941)	-	3,488,941	(3,488,941)	-
Computer software, other	8,818,908	(8,747,931)	70,977	8,818,908	(8,530,438)	288,470
Pharmaceutical dossiers	-	-	-	34,000,000	(20,400,000)	13,600,000
Total	12,307,849	(12,236,872)	70,977	46,807,849	(32,419,379)	14,388,470

Company	2013			2012		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Patents and trademarks	-	-	-	500,000	-	500,000

Reconciliation of intangible assets - Group - 2013

	Opening balance	Classified as held for sale	Disposals through sale of subsidiary	Amortisation	Total
Patents and trademarks	500,000	(500,000)	-	-	-
Computer software	288,470	-	-	(217,493)	70,977
Pharmaceutical dossiers	13,600,000	-	(13,600,000)	-	-
	14,388,470	(500,000)	(13,600,000)	(217,493)	70,977

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	2013	2012	2013	2012

5. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2012

	Opening balance	Amortisation	Total
Patents and trademarks	500,000	-	500,000
Computer software	3,520,057	(3,231,587)	288,470
Pharmaceutical dossiers	15,300,000	(1,700,000)	13,600,000
	<u>19,320,057</u>	<u>(4,931,587)</u>	<u>14,388,470</u>

Reconciliation of intangible assets - Company - 2013

	Opening balance	Classified as held for sale	Total
Patents and trademarks	500,000	(500,000)	-

Reconciliation of intangible assets - Company - 2012

	Opening balance	Total
Patents and trademarks	500,000	500,000

Other information

The patents and trademarks relate to the "New Promex" brand which was purchased during the 2008 financial year. The useful life of the brand had been assessed as being indefinite as it could not be determined when economic benefits from this intangible would cease.

Impairment test assumptions are based on the fair value less any costs to sell.

Sekpharma (Pty) Ltd the subsidiary which had ownership of the pharmaceutical dossiers was sold to Sekunjalo Investments Limited on 1 September 2012.

6. Investments in subsidiaries

Name of company	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012
Sekunjalo Medical Services (Proprietary) Limited	100.00 %	100.00 %	41,229,062	27,392,539
Saratoga Software (Proprietary) Limited Group	42.59 %	- %	10,818,080	-
Wynberg Pharmaceuticals (Proprietary) Limited	100.00 %	100.00 %	-	-
Sekunjalo Health and Medical Commodities (Proprietary) Limited	100.00 %	100.00 %	-	-
			<u>52,047,142</u>	<u>27,392,539</u>

The carrying amounts of subsidiaries are shown at fair value which includes costs plus fair value gains and any impairment losses.

The fair value of Sekunjalo Medical Services (Proprietary) Limited is deemed to be its net asset value. The underlying value is based on its subsidiary Health System Technologies (Proprietary) Limited, which is held at 100% at fair value based on its discounted cash flow.

The aggregate profit/(loss) of the interest in subsidiaries are:

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	2013	2012	2013	2012
6. Investments in subsidiaries (continued)				
Sekpharma (Proprietary) Limited			-	(2,199,133)
Sekunjalo Health and Medical Commodities (Proprietary) Limited			(43,105)	(66,967)
Wynberg Pharmaceuticals (Proprietary) Limited			(92,500)	(1,667,238)
Sekunjalo Medical Services (Proprietary) Limited			20,828,991	(451,541)
Health System Technologies (Proprietary) Limited (Subsidiary of Sekunjalo Medical Services (Proprietary) Limited)			8,876,844	10,670,496
Saratoga Software (Proprietary) Limited Group			-	-
			29,570,230	6,285,617

Fair value information

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

There is currently no active market for the financial assets held, and no recent transactions have been identified which are considered to be comparable to the financial assets held.

As quoted market prices are not available, valuation techniques are used to determine fair value. A discounted cash flow analysis incorporating a terminal value calculation has been employed to calculate the fair value. The future cashflows of the entity have been predicted using currently observable operating trends and future budgets. Once determined, the future cashflows have been discounted at an appropriate weighted average cost of capital to the present to determine the fair value. The valuation technique is consistent with the method employed in the prior year.

This technique incorporates all factors that market participants would consider in setting a price for the financial assets held, and is consistent with accepted economic methodologies for pricing financial instruments.

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

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. As the investments held in subsidiary companies do not have any observable market data, and since a valuation technique is used to determine fair value, all investments held are level 3 assets.

Level 3

Sekunjalo Medical Services (Proprietary) Limited	41,229,062	27,392,539
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Significant assumptions

The following significant assumptions have been made in the use of a discounted cash flow model:

Terminal growth rate:	4.5%
Debt/equity ratio:	10%
Beta:	1.4
Specific risk premium:	4%
Weighted average cost of capital:	23%

Reconciliation of financial assets at fair value through profit or loss measured at level 3

2013	Opening balance	Gain / (loss) in profit or loss	Total
Sekunjalo Medical Services (Proprietary) Limited	27,392,539	13,836,523	41,229,062
2012			
Sekunjalo Medical Services (Proprietary) Limited	26,030,554	1,361,985	27,392,539

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	2013	2012	2013	2012
6. Investments in subsidiaries (continued)				
Total gain / (loss) for the year in profit or loss for assets held				
Sekunjalo Medical Services (Proprietary) Limited			13,836,523	1,361,985
Impact of changes in assumptions - level 3				
Terminal growth rate				
Sekunjalo Medical Services (Proprietary) Limited			1,097,233	573,126
The above shows the total fair value increase in profit and loss if the terminal growth of the underlying entity used in the discounted cash flow is 1% higher.				
Debt/equity ratio				
Sekunjalo Medical Services (Proprietary) Limited			1,136,866	1,990,789
The above shows the total fair value increase in profit and loss if the target debt/equity ratio of the underlying entity used in the discounted cash flow is 10% higher.				
Beta				
Sekunjalo Medical Services (Proprietary) Limited			2,714,727	774,603
The above shows the total fair value decrease in profit and loss if the beta of the underlying entity used in the discounted cash flow is 0.1 higher.				
Specific risk premium				
Sekunjalo Medical Services (Proprietary) Limited			2,413,408	1,264,841
The above shows the total fair value decrease/(increase) in profit and loss if the specific risk premium of the underlying entity used in the discounted cash flow is 1% lower.				
Weighted average cost of capital				
Sekunjalo Medical Services (Proprietary) Limited			2,297,917	1,402,218
The above shows the total fair value increase in profit and loss if the WACC of the underlying entity used in the discounted cash flow is 1% lower.				

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Figures in Rand	Group		Company			
	2013	2012	2013	2012		
7. Investment in joint venture						
Name of company	% holding 2013	% holding 2012	Group carrying amount 2013	Group carrying amount 2012	Company carrying amount 2013	Company carrying amount 2012
AME!HST (Proprietary) Limited	50.00 %	50.00 %	50,000	50,000	50,000	50,000

The joint venture provides software licences and services to the Department of Health and the carrying amounts are shown at cost plus any post acquisition profit or loss.

Summary of group's interest in joint venture

Non current assets	-	290,016
Current assets	180,164	1,270,603
Current liabilities - interest bearing	(9,658,688)	(7,433,764)
Current liabilities - non-interest bearing	(352,228,742)	(338,263,921)
Revenue	-	304,800
Expenses	(56,911,636)	(19,680,729)
Net loss	(56,885,727)	(19,301,764)
Cash generated by operating activities	25,142,747	(5,561,464)
Cash flows from investing activities	21,900	(20,493)

8. Investments in associate

Name of company	Listed / Unlisted	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012	Fair value 2013	Fair value 2012
Emergent Energy (Proprietary) Limited		25.00 %	- %	30	-	30	-

The associate was acquired on 31 August 2013 from Sekunjalo Technology Solutions Group (Proprietary) Limited.

9. Loans to (from) group companies

Subsidiaries

Sekunjalo Medical Services (Proprietary) Limited	-	-	-	12,834,715
The loan was unsecured and had no fixed terms of repayment. No interest was charged.				
Sekunjalo Health and Medical Commodities (Proprietary) Limited	-	-	47,437	35,008
The loan is unsecured and has no fixed terms of repayment. No interest is charged.				
Wynberg Pharmaceuticals (Proprietary) Limited	-	-	37,429,250	41,658,857
The loan is unsecured and has no fixed terms of repayment. No interest is charged.				
Impairment of loans to subsidiaries	-	-	37,476,687	54,528,580
	-	-	(30,476,355)	(40,783,121)
	-	-	7,000,332	13,745,459

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

The company has granted the unconditional right to defer payment of the outstanding amount for at least 12 months. The carrying amount of the above loans approximate their fair value. As the above loans have no repayment terms, they are not considered to be past due.

Sekunjalo Health Care Limited has agreed to subordinate loans to certain group companies until such time as the subsidiaries assets, fairly valued, exceed their liabilities.

The subordinations are as follows:

Wynberg Pharmaceuticals (Proprietary) Limited	-	-	30,428,917	41,658,857
Sekunjalo Health and Medical Commodities (Proprietary) Limited	-	-	47,437	35,008
Sekpharma (Proprietary) Limited	16,717,546	-	16,717,546	15,354,822
	16,717,546	-	47,193,900	57,048,687

Associates

Emergent Energy (Proprietary) Limited
The above loan is unsecured and interest is charged at varying rates linked to the prime interest rate. There are no fixed terms of repayment however the borrower has been granted an unconditional right to defer payment for 12 months.

	388,942	-	388,942	-
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Holding company

Sekunjalo Investments Limited
The loan is unsecured with no fixed terms of repayment. No interest is charged on R61,122,786 and on the balance interest is charged at prime plus 3%. There are no fixed terms of repayment.

	(68,496,540)	(79,560,382)	(68,057,476)	(79,559,966)
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Sekunjalo Investments Limited
The loan is unsecured and interest is charged at prime overdraft rate. There are no fixed terms of repayment.

	2,589,693	6,114,931	-	-
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Sekunjalo Investments Limited
The loan is unsecured and interest is charged at prime overdraft rate less 2%. There are no fixed terms of repayment.

	-	10,087,929	-	-
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	(65,906,847)	(63,357,522)	(68,057,476)	(79,559,966)
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The above loans payable have been subordinated in favour of other creditors, until the assets of the group and the company, fair valued, exceed the liabilities. The company has granted the unconditional right to defer payment of the outstanding amount for at least 12 months.

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	2013	2012	2013	2012
9. Loans to (from) group companies (continued)				
Fellow subsidiaries				
Premier Fishing SA (Proprietary) Limited The loan is unsecured with no fixed terms of repayment. Interest is charged at prime plus 3%. There are no fixed terms of repayment.	(2,058,705)	(1,836,065)	(2,058,705)	(1,836,065)
Sekunjalo Technology Solutions Group (Proprietary) Limited The loan is unsecured with no fixed terms of repayment. Interest is charged at prime overdraft rate.	-	199	-	-
Sekpharma (Proprietary) Limited The loan is unsecured and has no fixed terms of repayment. Interest is charged at prime rate plus 3%.	16,717,546	-	16,717,546	15,354,822
Sekpharma (Proprietary) Limited The loan is unsecured and has no fixed terms of repayment. No interest is charged.	(1,975,462)	-	-	-
Saratoga Private Equity (Proprietary) Limited The loan is unsecured, interest free and repayable on demand.	17,429	-	-	-
	12,700,808	(1,835,866)	14,658,841	13,518,757
Impairment of loans to fellow subsidiaries	(16,717,545)	-	(16,717,545)	-
	(4,016,737)	(1,835,866)	(2,058,704)	13,518,757
Non-current assets	2,978,636	16,203,059	7,389,275	29,100,281
Current assets	17,429	-	-	-
Non-current liabilities	(72,530,707)	(81,396,447)	(70,116,181)	(81,396,031)
	(69,534,642)	(65,193,388)	(62,726,906)	(52,295,750)

Credit quality of loans to group companies

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

Reconciliation of provision for impairment of loans to group companies

Opening balance	-	-	40,783,121	34,257,311
Sekunjalo Health and Medical Commodities (Proprietary) Limited	-	-	12,429	35,008
Wynberg Pharmaceuticals (Proprietary) Limited	-	-	(9,742,614)	5,914,221
Sekpharma (Proprietary) Limited	16,717,545	-	16,140,965	576,581
	16,717,545	-	47,193,901	40,783,121

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	2013	2012	2013	2012
10. Deferred tax				
Deferred tax asset				
Investment in subsidiary	-	-	(7,668,587)	(5,094,994)
Income received in advance	1,819,062	-	-	-
Provisions	1,941,614	356,064	-	-
Fixed assets	952	-	-	-
Tax losses available for set off against future	8,841,533	8,224,177	7,668,587	5,094,994
Taxable income	-	44,660	-	-
Capitalised finance lease	-	44,660	-	-
Prepayments	(790,403)	(870,620)	-	-
Provision for bad debt	26,733	31,076	-	-
Software development costs	(19,873)	(80,771)	-	-
	11,819,618	7,704,586	-	-
Reconciliation of deferred tax asset (liability)				
At beginning of the year	7,704,586	4,416,024	-	-
Increase/(Decrease) in tax losses available for set off against future taxable income	2,641,044	1,340,294	2,573,593	1,450,731
Fixed assets	952	-	-	-
Reversing temporary difference on software development costs	60,898	907,847	-	-
Originating temporary difference on provisions	1,585,550	1,001,698	-	-
Fair value of subsidiary	-	-	(2,573,593)	(1,450,731)
Income received in advance	(204,626)	1,805,950	-	-
Capitalised finance lease	(44,660)	(105,601)	-	-
Prepayments	80,217	(1,264,532)	-	-
Provision for bad debts	(4,343)	(397,094)	-	-
	11,819,618	7,704,586	-	-
11. Inventories				
Finished goods	160,562	141,243	-	-
Merchandise	805,581	4,739,019	-	-
	966,143	4,880,262	-	-
12. Trade and other receivables				
Trade receivables	34,661,021	23,209,243	371,768	720,798
Employee costs in advance	8,640	6,000	-	6,000
Prepayments	3,020,640	3,292,975	-	-
Deposits	990,599	1,036,629	-	150,781
VAT	920,838	7,238	2,220	-
Other receivables	1,054,728	-	-	-
Staff loans	572	-	-	-
	40,657,038	27,552,085	373,988	877,579

Of the trade receivables balance at the end of the year, R25,083,916 (2012: R20,270,622) is due from two of the group's largest customers in the Information Technology sector.

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	2013	2012	2013	2012

12. Trade and other receivables (continued)

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The average credit period on sales of merchandise goods is 30 days from anniversary date and statement date. No interest has been charged on trade receivables for amounts outstanding longer than the credit period.

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 2013, R 8,088,781 (2012: R6,000,578) were past due but not impaired. The group has not provided for these debtors as there has not been significant change in credit quality and the amount is still considered recoverable. The group does not hold any collateral over these balances. The receivables past due is considered more than 60 days.

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

Health Care Segment				
1 month past due	-	32,839	-	32,839
2 months past due	7,012	148,880	-	33,897
3 months past due	836,112	77,258	-	66,594
Information Technology Segment				
1 month past due	5,504,171	3,685,653	-	-
2 months past due	1,312,604	2,055,948	-	-
3 months past due	428,882	-	-	-

Trade and other receivables impaired

As of 31 August 2013, trade and other receivables of the group of R 127,302 (2012: R 147,980) were impaired and provided for.

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	147,980	2,024,621	-	-
Provision for impairment	(20,678)	(1,876,641)	-	-
	<u>127,302</u>	<u>147,980</u>	-	-

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	2013	2012	2013	2012
13. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	7,826	43,885	23	23
Bank balances	19,643,759	9,816,894	136,097	14,270
Bank overdraft	(1,193,386)	-	-	-
	18,458,199	9,860,779	136,120	14,293
Current assets	19,651,585	9,860,779	136,120	14,293
Current liabilities	(1,193,386)	-	-	-
	18,458,199	9,860,779	136,120	14,293

The bank overdraft is with ABSA Bank Limited and is secured with unlimited cross suretyship between Sekunjalo Investment Limited, Health System Technologies Proprietary Limited and Premier Fishing SA (Proprietary) Limited supported by cession of loan accounts.

There is a guarantee with ABSA Bank Limited for the amount of R 3,250,000, which comprises of R 750,000 pledged in cash and a facility of R 2,500,000 in favour of First Rand Bank Limited which expires on 28 February 2014.

There is also cash pledged in favour of First Rand Bank Limited in the amount of R 3,250,000. This pledge is against an overdraft facility provided to Amethst (Proprietary) Limited and expires on 28 February 2014.

The following facilities are also held with ABSA Bank Limited

Primary Lending = R 5,000,000

Credit card = R 202,000

Derivative (forward exchange contract) = R 1,700,000

Forward exchange settlement = R 2,000,000

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.

14. Share capital

Authorised

500 000 Ordinary shares of R.004 each	2,000	2,000	2,000	2,000
300 000 000 "N" Ordinary shares of R.004 each	1,200,000	1,200,000	1,200,000	1,200,000
50 000 Redeemable Preference shares of R0.01 each	500	500	500	500
	1,202,500	1,202,500	1,202,500	1,202,500

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.

Issued

497 813 Ordinary shares of R0.004 each	1,991	1,991	1,991	1,991
201 654 147 "N" Ordinary shares of R0.004 each	806,616	806,616	806,616	806,616
Share premium	168,019,480	168,019,480	168,019,480	168,019,480
	168,828,087	168,828,087	168,828,087	168,828,087

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	2013	2012	2013	2012
15. Other financial liabilities				
Held at amortised cost				
New Promex Corporation (Pty) Ltd	2,105	68,781	2,105	9,150
The loan is unsecured and bears no interest. The loan is short term and will be repaid within the next 12 months.				
ABSA Bank	-	159,501	-	-
Repayable in monthly instalments of R32,713 (2012: R32,713). Interest is charged at rates linked to prime. This was repaid in 2013 financial year.				
Loans from directors of subsidiary	562,500	-	-	-
The loans are due to be paid on the 17th of September 2013.				
	564,605	228,282	2,105	9,150
Non-current liabilities				
At amortised cost	562,500	-	-	-
Current liabilities				
At amortised cost	2,105	228,282	2,105	9,150
	564,605	228,282	2,105	9,150

16. Trade and other payables

Trade payables	8,761,695	15,159,390	107,937	194,290
Amounts received in advance	173,406	-	-	-
VAT	1,767,797	904,362	-	704,336
Dividend payable	2,205,266	-	-	-
Other payables	44,734	-	-	-
Accrued expenses	6,271,503	7,245,313	67,100	85,000
Other accrued expenses	71,500	-	-	-
Other payables	15,403	-	-	-
	19,311,304	23,309,065	175,037	983,626

The average credit period on purchases of certain goods is 30 - 45 days. No interest is charged on trade payables. The group has financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame.

17. Provisions

Reconciliation of provisions - Group - 2013

	Opening balance	Additions	Additions via business combinations	Reversed during the year	Total
Product warranties	-	-	2,306,071	-	2,306,071
Provision for leave pay	1,382,008	1,919,304	-	-	3,301,312
Provision for bonuses	164,988	3,325,177	-	-	3,490,165
Provision for debtor claims	1,323,938	-	-	(1,323,938)	-
	2,870,934	5,244,481	2,306,071	(1,323,938)	9,097,548

Reconciliation of provisions - Group - 2012

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	2013	2012	2013	2012

17. Provisions (continued)

	Opening balance	Additions	Utilised during the year	Total
Provision for leave pay	1,087,945	294,063	-	1,382,008
Provision for bonuses	527,112	878,659	(1,240,783)	164,988
Provision for debtor claims	1,323,938	-	-	1,323,938
	2,938,995	1,172,722	(1,240,783)	2,870,934

Reconciliation of provisions - Company - 2013

	Opening balance	Additions	Total
Provision for leave pay	25,412	2,050	27,462

Reconciliation of provisions - Company - 2012

	Opening balance	Utilised during the year	Total
Provision for leave pay	39,396	(13,984)	25,412

The provision for leave pay is based on the amount of paid leave days owed to employees at the end of the year. The policy of the company is to limit the number of leave days to twenty. The leave pay provision is calculated in accordance with the policy per employee.

The provision for bonuses are provided for when they accrue to employees with reference to services rendered up to the balance sheet date. The above provision represents management's best estimate of the companies liabilities based on prior experience.

Provision for claims relate to the suspension of a government tender for HIV rapid diagnostic strips, and is a possible payable. This has been reversed as it has been more than three years since the last payment and there has been no communication to/from the creditor.

18. Revenue

Sale of goods	40,852,540	29,990,863	-	-
Rendering of services	79,364,118	74,931,174	535,694	3,180,000
	120,216,658	104,922,037	535,694	3,180,000

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19. Operating profit (loss)				
Operating profit for the year is stated after accounting for the following:				
Operating lease charges				
Premises				
• Contractual amounts	1,098,081	846,394	-	-
• Contingent amounts	51,781	372,035	51,781	372,035
Equipment				
• Contractual amounts	5,144	30,418	5,144	30,418
	1,155,006	1,248,847	56,925	402,453
Profit on sale of businesses (or subsidiaries, joint ventures and associates)	3,436,036	-	-	-
Fair value adjustment on subsidiary	-	-	-	5,949,229
Impairment on loans to group companies	16,140,964	-	16,153,393	576,581
Loss on exchange difference	767,006	564,706	-	(14,848)
Amortisation on intangible assets	217,493	3,231,587	-	-
Depreciation on property, plant and equipment	790,292	989,182	279,166	289,994
Employee costs	4,593,939	3,794,290	739,957	1,614,702
20. Investment revenue				
Dividend revenue				
Subsidiaries - Local	-	-	7,165,285	-
Interest revenue				
Loans to group companies	2,810,662	673,410	2,025,200	1,288,285
Bank	7,008	2,827	6,073	1,292
Other interest	435,586	248,565	-	-
	3,253,256	924,802	2,031,273	1,289,577
	3,253,256	924,802	9,196,558	1,289,577
21. Finance costs				
Ultimate Shareholder	1,235,838	1,211,701	1,232,007	1,176,047
Bank	78,044	67,098	10	-
Late payment of tax	166,801	-	166,801	-
Other interest paid	50,613	453,735	-	-
	1,531,296	1,732,534	1,398,818	1,176,047

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22. Taxation

Major components of the tax expense

Current				
SA Normal tax - current period	6,231,265	6,546,025	-	-
SA Normal tax - prior period	69,460	710,728	-	-
	6,300,725	7,256,753	-	-
Deferred				
Current year	(2,767,880)	(3,271,225)	-	-
	3,532,845	3,985,528	-	-

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.00 %	28.00 %	28.00 %	28.00 %
Temporary difference	(18.60)%	(4.22)%	(28.00)%	(28.00)%
Prior year adjustment	- %	39.49 %	- %	- %
	9.40 %	63.27 %	- %	- %
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognised.	(92,772,845)	(150,324,062)	(33,805,978)	(28,699,825)

No provision has been made for 2013 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R33,805,978 (2012: R 33,363,650) for the company. The group's estimated tax loss available for set off against future taxable income is R 92,772,845 (2012: R 150,324,062)

23. Auditors' remuneration

Fees	337,337	331,367	108,000	91,500
Adjustment for previous year	46,883	44,926	-	-
	384,220	376,293	108,000	91,500

24. Earnings and Headline Earnings

Earnings / Loss	(1,538,985)	2,313,640	-	-
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Figures in Rand	Group		Company	
	2013	2012	2013	2012
25. Cash generated from operations				
Profit (loss) before taxation	1,993,860	10,054,458	14,376,131	(5,235,243)
Adjustments for:				
Depreciation and amortisation	1,007,785	4,220,769	279,166	289,994
Profit on sale of subsidiary	(3,436,036)	-	-	-
Loss on discontinued operations	-	(2,026,806)	-	-
Dividends received	-	-	(7,165,285)	-
Interest received	(3,253,256)	(924,802)	(2,031,273)	(1,289,577)
Finance costs	1,531,296	1,732,534	1,398,818	1,176,047
Fair value adjustments	-	-	(13,836,523)	(1,361,985)
Impairment loss	16,140,964	-	16,153,393	6,525,810
Movements in provisions	6,226,614	(68,061)	2,050	(13,984)
Foreign exchange variance	767,000	-	-	-
Changes in working capital:				
Inventories	(620,346)	(421,322)	-	-
Trade and other receivables	739,622	10,318,340	503,591	(440,854)
Trade and other payables	(12,133,704)	(19,580,665)	(808,589)	64,697
Deferred income	4,990,597	9,909,401	-	-
	13,954,396	13,213,846	8,871,479	(285,095)

26. Related parties

Relationships	
Ultimate holding company	Sekunjalo Investments Ltd
Subsidiary of ultimate holding company	Sekunjalo Properties (Pty) Ltd
Subsidiary of ultimate holding company	Sekunjalo Technology Solutions Group (Pty) Ltd
Subsidiary	Sekunjalo Medical Services (Pty) Ltd
Subsidiary	Wynberg Pharmaceuticals (Pty) Ltd
Subsidiary	Sekpharma (Pty) Ltd
Subsidiary of ultimate holding company	Health System Technologies (Pty) Ltd
Subsidiary	Saratoga Software (Pty) Ltd
Subsidiary	Digital Matter (Pty) Ltd
	World Wide Creative (Pty) Ltd
Joint venture	AmetHST (Pty) Ltd
Fellow group company	Premier Fishing SA (Pty) Ltd
Fellow group company	Espafrika (Pty) Ltd
Associate	Emergent Energy (Pty) Ltd

Related party balances

Loan accounts - Owing (to) by related parties

Sekunjalo Investments Ltd	(65,889,418)	(63,357,522)	(68,057,475)	(79,559,966)
Sekunjalo Technology Solutions Group (Pty) Ltd	-	199	-	-
Sekunjalo Health and Medical Commodities (Pty) Ltd	-	-	(47,437)	(35,008)
Sekpharma (Pty) Ltd	(16,717,546)	-	(16,717,546)	(15,354,822)
Wynberg Pharmaceuticals (Pty) Ltd	-	-	(37,249,250)	(41,658,857)
Sekunjalo Medical Services (Pty) Ltd	-	-	-	(12,834,715)

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26. Related parties (continued)				
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Bioclones (Pty) Ltd	8,807	206,137	8,807	206,137
Sekpharma (Pty) Ltd	413,121	-	362,961	-
Saratoga Software (Pty) Ltd	-	-	222,640	-
Premier Fishing SA (Pty) Ltd	(54,639)	(142,971)	(54,639)	(142,971)
Amethst (Pty) Ltd	-	(29,405)	-	-
Sekunjalo Technology Solutions Group (Pty) Ltd	-	(1,285,997)	-	-
Donations paid to related parties				
The Surve Family Foundation	2,000,000	-	-	-
Related party transactions				
Interest paid to (received from) related parties				
Sekunjalo Investments Ltd	547,482	(634,535)	1,232,007	1,039,982
Sekpharma (Pty) Ltd	2,025,800	-	2,025,800	-
Premier Fishing SA (Pty) Ltd	222,640	136,065	222,640	136,065
Administration fees paid to (received from) related parties				
Sekunjalo Technology Solution Group (Pty) Ltd	10,697,650	14,049,405	-	-
Health Systems Technology (Pty) Ltd	-	-	(72,000)	-
Sales				
Sekunjalo Tecnology Solutions Group (Pty) Ltd	-	(16,294)	-	-
Sekunjalo Investments Ltd	-	(55,240)	-	-
Premier Fishing SA (Pty) Ltd	(87,452)	(276,262)	-	-
Purchases				
Espafrika (Pty) Ltd	1,013,513	-	-	-
Sekunjalo Technology Solutions Group (Pty) Ltd	14,070	2,142,163	-	-
Premier Fishing SA (Pty) Ltd	135,915	120,745	-	-
Sekunjalo Investments Ltd	2,896	136,280	-	-
Compensation to prescribed officers				
Remuneration	6,949,688	7,975,966	729,352	1,080,552
Dividends received				
Sekunjalo Medical Services (Pty) Ltd	-	-	(7,165,285)	-

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27. Risk management

Financial risk management

The group hold financial instruments to finance its operations and to manage the financial risk that arises from these operations. The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk), credit risk and liquidity risk. Risk management is carried out by the group under policies approved by the board.

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities. Sekunjalo Investments Limited has subordinated their loan and gives support to the group which reduces the liquidity risk of the group.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

At 31 August 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other financial liabilities	564,605	-	-	-
Trade and other payables	19,311,304	-	-	-
Loans from group companies	72,530,707	-	-	-
At 31 August 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other financial liabilities	228,282	-	-	-
Trade and other payables	23,309,065	-	-	-
Loans from group companies	81,396,497	-	-	-

Company

At 31 August 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other financial liabilities	2,105	-	-	-
Trade and other payables	175,038	-	-	-
Loans from group companies	70,116,181	-	-	-
At 31 August 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	983,626	-	-	-
Loans from group companies	81,396,031	-	-	-

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27. Risk management (continued)

Interest rate risk

The group's interest rate risk arises from variable bank overdraft rates and current financial liabilities. The company does not seek to hedge these interest rate risks. The interest rate risk is not managed as most interest bearing debt is within the group.

The group has no significant concentration of interest rate risk. At 31 August 2013, if the interest rate had increased by 1% with all other variables held constant, pre tax profit for the year would be R13,645 higher (2012 : R10,486 higher).

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Trade and other receivables - normal credit terms	- %	40,823,839	-	-	-	-
Tax payable	8.50 %	2,251,282	-	-	-	-
Cash in current banking institutions - tiered	5.00 %	9,860,779	-	-	-	-
Loans to group companies	11.50 %	54,194,233	-	-	-	-
Trade and other payables - extended credit terms	8.50 %	17,045,902	-	-	-	-
Overdraft facilities used	10.00 %	1,193,386	-	-	-	-
Other financial liabilities	8.50 %	564,605	-	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Foreign exchange risk

The group does not hedge foreign exchange fluctuations.

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

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	2013	2012	2013	2012

28. Financial assets by category

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

Group - 2013

	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Loans to group companies	2,996,065	-	-	-	-	2,996,065
Trade and other receivables	36,715,560	-	-	-	-	36,715,560
Cash and cash equivalents	19,651,585	-	-	-	-	19,651,585
	59,363,210	-	-	-	-	59,363,210

Group - 2012

	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Loans to group companies	16,203,860	-	-	-	-	16,203,860
Trade and other receivables	24,251,872	-	-	-	-	24,251,872
Cash and cash equivalents	9,860,779	-	-	-	-	9,860,779
	50,316,511	-	-	-	-	50,316,511

Company - 2013

	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Loans to group companies	7,000,333	-	-	-	-	7,000,333
Investments in subsidiaries	-	-	52,047,142	-	-	52,047,142
Trade and other receivables	540,789	-	-	-	-	540,789
Cash and cash equivalents	136,120	-	-	-	-	136,120
	7,677,242	-	52,047,142	-	-	59,724,384

Company - 2012

	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Loans to group companies	29,100,281	-	-	-	-	29,100,281
Investments in subsidiaries	-	-	27,397,539	-	-	27,397,539
Trade and other receivables	877,579	-	-	-	-	877,579
Cash and cash equivalents	14,293	-	-	-	-	14,293
	29,992,153	-	27,397,539	-	-	57,389,692

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	2013	2012	2013	2012

29. Financial liabilities by category

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

Group - 2013

	Financial liabilities at amortised cost	Total
Loans from group companies	72,530,707	72,530,707
Other financial liabilities	564,605	564,605
Trade and other payables	17,543,507	17,543,507
Bank overdraft	1,193,386	1,193,386
	91,832,205	91,832,205

Group - 2012

	Financial liabilities at amortised cost	Total
Loans from group companies	81,396,031	81,396,031
Other financial liabilities	228,282	228,282
Trade and other payables	24,904,751	24,904,751
	106,529,064	106,529,064

Company - 2013

	Financial liabilities at amortised cost	Total
Loans from group companies	68,057,476	68,057,476
Other financial liabilities	2,105	2,105
Trade and other payables	175,038	175,038
	68,234,619	68,234,619

Company - 2012

	Financial liabilities at amortised cost	Total
Loans from group companies	79,559,966	79,559,966
Other financial liabilities	9,150	9,150
Trade and other payables	983,626	983,626
	80,552,742	80,552,742

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30. Commitments

Forward exchange contracts

A two month forward exchange contract was entered into with ABSA Bank Limited which expires on the 15th of October 2013 to purchase \$ 270,875 at an exchange rate of 10.056.

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	-	126,003	-	126,003
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Operating lease payments represent rentals payable by the group for certain of its office properties and equipment. Leases are negotiated for an average term of two years and rentals are fixed for an average of two years. No contingent rent is payable.

31. Contingencies

There is a dispute with regards to Workmen's Compensation (WCA) and Wynberg Pharmaceuticals (Pty) Ltd. WCA's records indicate an outstanding amount of R 833 494, while Wynberg Pharmaceuticals management reflects their best estimate to be R 490 267. Management is certain of the completeness of the liability of R 490 267.

The claim that AmetHst has against the Baoki Consortium at the end of August 2011 was for R396 million which was withdrawn by the Gauteng Department of Health (GDoH) during the 2012 financial year. The Baoki Consortium's counterclaim against the GD oH for R783 million still remains and is being addressed as part of the ongoing arbitration process.

AmetHst concluded related supplier agreements in order to provide the necessary software licences and/or services to the GDoH in terms of the contract. The amounts set out in the Baoki Consortium's counterclaim in relation to these supplier agreements total R571 million.

At this stage, unless new claims are made against AmetHst in relation to further agreements, then the probable loss will be nil. In relation to legal costs, if the settlement negotiations succeed, then the legal costs will be relatively low. However, should arbitration proceedings continue, legal costs are estimated to be around R1m.

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	2013	2012	2013	2012	
32. Segmental report					
2013			Health Care	Information Technology	Total
Revenue					
External sales			3,789,644	116,427,014	120,216,658
Segment results					
Operating profit / (loss)			(15,450,534)	13,911,549	(1,538,985)
Included in segment results :					
Depreciation and amortisation			279,166	728,619	1,007,785
Administration fee paid			-	10,697,650	10,697,650
			279,166	11,426,269	11,705,435
Carrying value of assets			21,391,964	75,038,341	96,430,305
Carrying value of liabilities			77,408,615	44,921,479	122,330,094
Capital expenditure			-	713,003	713,003
2012			Health Care	Information Technology	Total
Revenue					
External sales			16,993,808	104,590,826	121,584,634
Intergroup sales			293,976	28,254	322,230
			17,287,784	104,619,080	121,906,864
Segment results					
Operating profit / (loss)			(7,895,438)	16,063,768	7,347,809
Included in segment results :					
Depreciation and amortisation			2,018,479	3,930,775	5,949,254
Administration fee paid			-	14,049,405	14,049,405
			2,018,479	17,980,180	19,998,659
Carrying value of assets			32,947,639	53,824,528	86,772,167
Carrying value of liabilities			91,214,680	30,282,936	121,497,616
Capital expenditure			19,569	583,656	603,225
33. Tax paid					
Balance at beginning of the year	(1,161,109)	(17,848)	-	-	-
Current tax for the year recognised in profit or loss	(6,300,725)	(7,274,086)	-	-	-
Adjustment for business combinations	(469,674)	-	-	-	-
Balance at end of the year	2,251,282	1,161,109	-	-	-
	(5,680,226)	(6,130,825)	-	-	-

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	2013	2012	2013	2012
34. Movement in investments (incl subs, JVs & Assoc)				
Fair value of assets acquired				
Property, plant and equipment	517,138	-	-	-
Deferred tax assets / liabilities	1,414,602	-	-	-
Goodwill	7,810,904	-	-	-
Trade and other receivables	15,628,873	-	-	-
Trade and other payables	(10,915,445)	-	-	-
Tax assets / liabilities	(467,227)	-	-	-
Borrowings	(545,071)	-	-	-
Cash	6,504,652	-	-	-
Dividend payable	(2,250,000)	-	-	-
Other	55,988	-	-	-
Total net assets acquired	17,754,414	-	-	-
Net assets acquired	17,754,414	-	-	-
Non-controlling interest	(10,160,666)	-	-	-
Goodwill	(3,280,320)	-	-	-
	4,313,428	-	-	-
Consideration paid				
Consideration paid through loan account	(10,818,080)	-	-	-
Cash acquired from subsidiary	6,504,652	-	-	-
	(4,313,428)	-	-	-
Net cash outflow on acquisition				
Cash acquired	6,504,652	-	-	-
35. Sale of businesses				
35.1 Sale of subsidiary				
Carrying value of assets sold				
Property, plant and equipment	83,500	-	-	-
Intangible assets	13,600,000	-	-	-
Inventories	4,534,465	-	-	-
Trade and other receivables	1,784,298	-	-	-
Trade and other payables	(5,856,638)	-	-	-
Borrowings	(15,414,453)	-	-	-
Cash	692,248	-	-	-
Outside shareholders	203,979	-	-	-
Total net assets sold	(372,601)	-	-	-
Fair value adjustments and impairments of loans	(1,691,363)	-	-	-
Net assets sold	(2,063,964)	-	-	-
Profit on disposal	(3,436,036)	-	-	-
	(5,500,000)	-	-	-
Consideration received				
Proceeds paid through loan account	5,500,000	-	-	-
Net cash outflow on acquisition	(692,248)	-	-	-
Cash sold	(692,248)	-	-	-

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Notes to the Annual Financial Statements

Figures in Rand	Group		Company	
	2013	2012	2013	2012

36. Discontinued operations

The group has decided to dispose of assets that are no longer in use, as the operations were discontinued.

Assets and liabilities

Non-current assets held for sale

Property, plant and equipment	1,627,083	-	1,627,083	-
Other assets	500,000	-	500,000	-
	<u>2,127,083</u>	<u>-</u>	<u>2,127,083</u>	<u>-</u>

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Detailed Statement of Financial Performance

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Continuing operations					
Revenue					
Sale of goods		40,852,540	29,990,863	-	-
Rendering of services		79,364,118	74,931,174	535,694	3,180,000
	18	120,216,658	104,922,037	535,694	3,180,000
Cost of sales					
Opening stock		(4,880,262)	(4,458,940)	-	-
Purchases		(67,510,343)	(57,204,743)	-	-
Closing stock		966,143	4,880,262	-	-
		(71,424,462)	(56,783,421)	-	-
Gross profit		48,792,196	48,138,616	535,694	3,180,000
Other income					
Discount received		3,733	176	-	-
Sundry income		210,257	106,126	-	-
Reversal of impairments on loan		-	-	9,742,615	-
Other income		1,333,798	7,608	-	-
Dividend revenue	20	-	-	7,165,285	-
Interest received	20	3,253,256	924,802	2,031,273	1,289,577
Profit on sale of subsidiary		3,436,036	-	-	-
Profit on exchange differences		-	14,848	-	14,848
Fair value adjustments		-	-	13,836,523	1,361,985
		8,237,080	1,053,560	32,775,696	2,666,410
Expenses (Refer to page 52)					
Operating profit (loss)	19	3,525,156	11,786,992	15,774,949	(4,059,196)
Finance costs	21	(1,531,296)	(1,732,534)	(1,398,818)	(1,176,047)
Profit (loss) before taxation		1,993,860	10,054,458	14,376,131	(5,235,243)
Taxation	22	3,532,845	3,985,528	-	-
(Loss) profit for the year from continuing operations		(1,538,985)	6,068,930	14,376,131	(5,235,243)
Loss from discontinued operations		-	(3,755,288)	-	-
(Loss) profit for the year		(1,538,985)	2,313,642	14,376,131	(5,235,243)

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Detailed Statement of Financial Performance

Figures in Rand	Note(s)	Group		Company	
		2013	2012	2013	2012
Operating expenses					
Accounting fees		8,000	67,500	-	-
Administration and management fees		7,604,545	14,049,405	-	-
Advertising		211,939	189,176	-	-
Assets under R5 000		36,201	73,042	-	-
Auditors remuneration	23	384,220	376,293	108,000	91,500
Bad debts		(20,084)	(1,841,594)	-	34,914
Bank charges		77,286	107,708	6,933	9,119
Cleaning		7,276	17,448	1,001	8,872
Commission paid		8,012,206	4,281,701	-	12,371
Computer expenses		590,613	558,965	1,995	66,354
Consulting and professional fees		3,251,234	3,180,679	-	220,584
Corporate costs		20,100	7,400	-	-
Depreciation, amortisation and impairments		17,148,749	4,220,769	16,432,559	6,815,804
Donations		2,239,051	255,899	-	4,250
Employee costs		4,593,939	3,794,290	739,957	1,614,702
Entertainment		1,339,002	1,363,673	-	-
Fines and penalties		2,447	-	-	-
Hire		57,456	24,111	-	-
IT expenses		63,383	101,252	-	-
Insurance		220,979	203,945	45,145	46,371
Lease rentals on operating lease		1,155,006	1,248,847	56,925	402,453
Legal expenses		2,077,985	2,076,919	-	154,753
Licence		135,472	128,744	4,465	28,921
Licence fees		12,545	28,031	12,545	11,834
Loss on exchange differences		767,006	579,554	-	-
Magazines, books and periodicals		-	200	-	-
Motor vehicle expenses		32,902	27,501	-	-
Petrol and oil		48,571	42,554	2,629	8,585
Placement fees		100	19,712	-	-
Postage		66,271	124,712	4,328	71,370
Printing and stationery		260,998	365,572	20,877	49,289
Promotions		-	78,403	-	-
Registration fees		54,366	7,848	-	7,748
Regulatory		17,718	26,639	-	4,788
Repairs and maintenance		276,816	212,320	-	4,878
Secretarial fees		11,572	7,550	-	-
Security		22,942	9,099	1,303	1,635
Staff welfare		36,150	52,080	393	16,297
Storage charges		283,518	39,895	-	28,108
Subscriptions		51,394	37,870	29,830	21,022
Telephone and fax		676,016	517,265	60,810	81,922
Training		286,712	179,367	-	-
Travel - local		841,740	309,066	-	20,356
Travel - overseas		384,292	89,707	-	-
Utilities		155,486	164,066	6,746	66,806
		53,504,120	37,405,184	17,536,441	9,905,606